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International

ASEAN Talks Pursue Grounds for Partnership

OW1609122190 Tokyo THE DAILY YOMIURI in English 15 Sep 90 p 3—FOR OFFICIAL USE ONLY

[Article by Hideyuki Aoki]

[Text] As global interdependence increases in the post-Cold War era, Japan should strive harder to contribute to peace and stability in the Asian-Pacific region, said a panelist at the First Japan-ASEAN Roundtable held Tuesday in Tokyo. The remark was made by Jusuf Wanandi, chairman of the Center for Strategic and International Studies of Indonesia, in his keynote address at the discussion forum held under the theme of "Japan and ASEAN-Toward Full Partnership."

Attended by leading scholars and diplomats of Japan and the six-member ASEAN countries—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—the forum aimed at exploring ways in which Japan and ASEAN nations could strengthen cooperation on both international and regional issues. In his address, Wanandi pointed out that the U.S. military presence in Asia had been an effective deterrence against military aggression, contributing to the region's stability.

For this reason, he stressed the importance of maintaining the Japan-U.S. security treaty while at the same time fostering a wider network of regional security measures. In reference to relations between Japan and ASEAN, Wanandi said a comprehensive means of cooperation had to be forged between the two areas, not only in the economic field, but also in other spheres of common interest. Noordin, Sopiee, director general of Malaysian Institute of Strategic and International Studies, in his address supported Wanandi's contention that Japan should enhance its political and diplomatic role in both regional and world affairs, adding that it should also create a military capability commensurate with its requirements. He cautioned, however, that the capability should not grow to such an extent as to arouse concerns among neighboring countries over Japan's possible reemergence as a military power.

A draft of the forum's policy statement, which has yet to be finalized, contained a set of recommendations for both Japan and ASEAN in regard to a broad range of Asian issues, including the areas of foreign, trade and investment, technology, official development assistance, and human resources development. In particular, the statement recommended that an International University of the Pacific be set up in an ASEAN country, focusing on science and technology, business management, media and business studies.

It also spoke out in favor of the regular convocation of the Japan-ASEAN summit, a mechanism for governmental consultations between Japan and ASEAN, starting next year. The participating members of the forum, held under the joint sponsorship of CSIS [Center for Strategic and International Studies], ISIS [expansion unknown], and the Japan Forum on International Relations, agreed to hold the next round of discussion forum sometime in early 1992 in Jakarta.

Nakayama To Host Asia-Pacific Ministerial Talks

OW1609145490 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Sep 90 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] Foreign Minister Nakayama, under joint auspices with Indonesia, will hold the Asia-Pacific foreign ministers' talks when he visits the United States on 22 September to attend the UN General Assembly session. These will be unofficial talks designed to exchange frank opinions mainly on such issues as security in the Asia-Pacific region. In addition to the United States, China, and the ROK, the Soviet Union will also attend the talks. At the same time, the foreign minister will hold individual meetings with the foreign ministers of all the participating nations. Paving the way for Japan-U.S. summit talks, Nakayama will brief Secretary of State Baker on his understanding of Japan's Middle East contributions. In his meeting with Soviet Foreign Minister Shevardnadze, on the other hand, Foreign Minister Nakayama plans to hold detailed discussions regarding the issue of establishing a working group to prepare for President Gorbachev's visit to Japan. An agreement was reached at the Nakayama-Shevardnadze talks held recently in Tokyo that President Gorbachev would visit Japan.

Foreign Minister Nakayama's initial proposal that an Asia-Pacific foreign ministers' talks be held was made at his meeting with the South Korean foreign minister in May of this year when South Korean President No Tae-u visited Japan. In addition to the United States, China, and the ROK, other nations, including the six countries of the Association of Southeast Asian Nations (ASEAN), Canada, Australia, New Zealand, Mongolia, and Laos, will attend the foreign ministers' talks.

Although the Soviet Union was not asked to attend, the Soviet side expressed its desire to participate at the recent Japanese-Soveit foreign ministers' talks. The Japanese side holds that "the Soviet Union may have some ulterior motive in taking the leadership on security issues in the Asia-Pacific region" (according to a Foreign Ministry source). Although the Japanese side is taking a prudent attitude, it decided to approve Soviet participation.

Discussions at the foreign ministers' talks will focus on conflict in the Asia-Pacific region, including the situation on Korean Peninsula and Cambodian issues, and measures regarding the GATT and Uruguay round of talks. Participants may exchange views, however, on the Middle East situation as well. Foreign Minister Nakayama also plans to energetically hold private meetings with foreign ministers of all the participating

nations. Since the Japan-U.S. summit talks will be held immediately after the foreign ministers' talks, Nakayama wants to sound out, at his meeting with Secretary of State Baker, any moves by the U.S. side, including its reaction to Japan's contributions to the Middle East.

The foreign minister will also attach great importance to his meetings with Middle Eastern and Asian foreign ministers. In his meetings with Middle Eastern foreign ministers, Nakayama will exchange opinions on the future of the Middle East situation and measures to deal with the crisis. On the other hand, Asian nations are increasingly concerned about the fact that discussions are continuing regarding the possibility of dispatching the Self-Defense Force abroad as part of Japan's contribution. Thus, it is expected that Nakayama will explain Japan's fundamental way of thinking to Asian foreign ministers and ask for their understanding.

Nakayama Prepares UN General Assembly Speech

OW1909141690 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Sep 90 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] Foreign Minister Nakayama has firmed up the outline of his speech to the UN General Assembly, which opened on 18 September. In his speech, which prioritizes the Middle East situation, the foreign minister plans to call for strict compliance with six resolutions adopted by the UN Security Council and to stress that 1) the United Nations should not only deal with security issues but should explore what contributions it can make in addition to its election management designed to promote democratization, and 2) it is desirable for the United Nations to listen to and adopt the views of developing countries in dealing with global environmental problems. The foreign minister also plans to appeal Japan's basic position of adhering to three nonnuclear principles and three principles opposing the export of arms with the aim of clarifying Japan's position as a peace-loving nation.

Cold-war structures have been largely thawed because of progress in the democratization of East European nations, all of which has occurred since last year's UN General Assembly. With the growing cooperative mood in relations between the United States and the Soviet Union, the UN Security Council, which has not functioned very well thus far, was quick to deal with the Iraq issue. Hence, the foreign minister, in his speech, will highly appraise such quick moves by the UN Security Council. The foreign minister plans to urge the United Nations to be cautious about taking steps to send UN forces even if the Middle East situation remains stalemated.

In his speech, the foreign minister will stress Japan's positive support for the UN in areas other than security. He will also stress Japan's effort to assign importance to UN activities, like the support group for Namibian independence and the Nicaraguan election survey team, both of which enjoyed Japanese participation, in support of democratization, while advocating a broadening of UN activities in these arenas.

Middle East

Paper Calls for Nonmilitary Support for Gulf

OW1409133690 Tokyo ASAHI EVENING NEWS in English 13 Sep 90 p 6—FOR OFFICIAL USE ONLY

[ASAHI SHIMBUN 13 September editorial: "Keep Aid Non-Military"]

[Text] What role should Japan play to restore peace to the Middle East? Debates are rife in and outside Japan, and the urgency of the question seems to make these debates all the more heated. This is undoubtedly an emergency situation. Japan should certainly give very serious consideration to U.S. President George Bush's call for shared responsibilities.

The matter, however, concerns Japan's fundamental policy. We must be very cautious and objective in making any decision so as not to contradict our basic peace-seeking position in the turmoil of the moment. The government is in haste to put together its second package of Persian Gulf measures, but it must not endorse unaccountable expenses or deviate from the principle of strictly non-military support. "Willing but levelheaded" should be the attitude.

We must never let Iraqi President Saddam Husayn's act of aggression—in sheer defiance of rules of the global community—go as a fait accompli. On this point, global public opinion is in full agreement and it demands that Husayn restore the Mideast to its preinvasion state, as indicated by various United Nations Security Council resolutions.

Is it really inconsistent to try to collaborate with the rest of the world and at the same time stick only to non-military contribution? To try to resolve an international conflict without resorting to arms has been the most fundamental policy that Japan has consistently upheld since its defeat in World War II. Japanese diplomatic efforts should not deviate from this.

Some would argue that it is pure wishful thinking to try to resolve the Gulf crisis without firing a single bullet or shedding a single drop of blood, especially when dealing with an "outlaw" like Saddam Husayn. But the world at this stage is searching for some peaceful means for ending the conflict by applying pressure on Husayn, using concerted economic sanctions as the weapons. And the U.N. resolutions that have been passed so far endorse the use of arms only in the limited capacity of ensuring the effectiveness of the economic sanctions.

Japan has promised economic assistance and refugee relief to Mideast nations that are being hurt economically by the Gulf crisis. Contributions in these areas are not only needed for humanitarian reasons but must also be stressed in order to enhance the effect of the economic sanctions. However, for Japan and the United States alone to try to handle the issue of Japanese support funds for the multinational force is open to too many questions. It would be necessary to try to further persuade the United Nations to create an organ for this task.

Given that the United States is deploying its troops in the Middle East on the premise of force, it will be extremely difficult for Japan to convince the Americans that its only way to answer their call for contributions is non-military. But Japan must do everything in its power to make its position understood by the United States. Congressmen have uttered bitter recriminations at the Japanese government for refusing to offer military contributions. But the Americans may rethink if Japan patiently continues contributing in its own way.

Japanese laws are ineffective in that they do not presuppose the situation the country is now in. Work is needed in the area of legislation if Japan is to respond swiftly to emergencies and cooperate effectively with the world. It will only create more trouble if Japan allows piecemeal changes in its most basic policy when the matter has neither been discussed in the Diet nor approved by the public.

Every effort must be made to overcome the Gulf crisis without bloodshed. If that can be achieved, it will spell progress for humanity and civilization. Japan should feel confident in itself for having pursued the path of peace throughout its postwar national construction efforts and reassert its intention to contribute to the post-Cold War world order through non-military means.

Gulf Council To Receive Funds To Aid Forces

OW1409194490 Tokyo JIJI in English 1409 GMT 14 Sep 90—FOR OFFICIAL USE ONLY

[Text] Tokyo, Sept. 14 (JIJI PRESS)—Japan and the United States have basically agreed that a trust fund will be set up within the Gulf Cooperation Council [GCC] to receive Japan's financial contribution to the U.S.-led anti-Iraq multinational forces deployed in the Gulf area, government sources said Friday. The six member countries of the GCC have also agreed on the idea, the sources said. The regional grouping was established in 1981 by Saudi Arabia, the United Arab Emirates (UAE), Bahrain, Kuwait, Oman and Qatar.

The trust fund will be set up in Riyadh where the GCC headquarters is located, according to the sources. It will be managed by the GCC Secretariat with the money pooled there to be drawn by the multinational forces as the need arises, the sources said.

The trust fund will receive the greater part of the one-billion-dollar financial assistance to the U.S.-led Gulf forces Japan decided as part of its measures to help resolve the Middle East crisis in late August. The government will also disburse an additional one-billion-dollar assistance earmarked for the multinational forces to the trust fund as soon as possible, according to the sources. The additional support was decided Friday in response to U.S. requests for Japan's greater contribution to the Gulf troop deployment.

In consultations with Japan on the establishment of the trust fund, the United States proposed barring GCC countries from vetoing proposals regarding the use of money to be pooled with the trust fund and donating their own money to the fund. The terms proposed by the United States, whose Gulf forces are expected to use most of the contributed Japanese money, initially drew critical response from Saudi Arabia and other GCC countries. But GCC countries recently backed down and totally accepted the U.S. proposal, the sources said.

Government Seeks Way Around SDF Act

WA19091800 Tokyo ASAHI SHIMBUN in Japanese 12 Sep 90 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Unattributed "Analysis" article]

[Text] The framework of the UN Peace Cooperation Act, which the government has worked out, will allow Japan for the first time legally to dispatch Self-Defense Forces [SDF] personnel in the fields of communication and transportation to trouble spots overseas. Since this is closely tied with the spirit of the peace Constitution, it will provoke strong criticism from moderate groups within the Liberal Democratic Party [LDP], and from many in the opposition who believe it "cannot help but lead to dispatching the SDF itself overseas in the future." The act is certain to cause a debate in the provisional Diet session. On the other hand, hard-liners within the LDP are expected to respond by terming it "makeshift to avoid amending the Self-Defense Forces Act."

The government is taking the view, "If our aims and duties involve the use of armed force, it is not allowed by the Constitution. Although the Constitution does not forbid participation in a UN force in any way that does not involve use of armed force, that duty is not accorded us by the present Self-Defense Forces Act" (reply based on an October 1980 cabinet council decision made during the Suzuki cabinet). In other words, the government is reiterating the position that for us to send overseas unarmed SDF personnel, including SDF medical officers, it is necessary to amend the Self-Defense Forces Act to be able to say that the action does not violate the Constitution.

This argument notwithstanding, the reason the government is not attempting to revise the Self-Defense Forces Act now is because they anticipate it would be strongly rejected by the opposition parties, in view of the smoking gun image it has of being inextricably linked to dispatching SDF troops. There is little hope it could win

passage in the upper house controlled by the opposition. Thus the government intends to get by with the UN Peace Cooperation Act, viewing "cooperation with the United Nations" as a moral obligation. Still, it will be rough sailing in the Diet.

Chief Cabinet Secretary Sakamoto explains that "Japan is cooperating with UN activities to restore peace, while just staying within the framework of the Constitution." Nevertheless, this is surely a decision to step into an area from which Japan, with its pacifist foreign policy based on the present Constitution, has consistently retreated since the end of the war.

In this sense, it is not an exaggeration to call the statement "within the framework, inasmuch as we expanded the Constitution's framework" a sensible ploy. In order to get such a legislative measure through the present Diet, the government and the LDP must keep watch on trends within the Japanese Socialist Party [JSP] and Komeito. Among these, the attitude of Komeito, which is discussing whether to allow sending SDF medical officers overseas, is attracting some attention.

Another point at issue is the relationship between the "UN-centered doctrine" the government is trying to establish on the basis of its UN Peace Cooperation Act, and the multinational force formed around the U.S. military that is now being deployed in the Middle East. Although the multinational force is billed as "an action to implement the UN Security Council's resolution on sanctions against Iraq," only with extreme difficulty can one assert that the force has the same character as a United Nations force.

Government Develops Cooperation Act Framework

OW1809095490 Tokyo YOMIURI SHIMBUN in Japanese 16 Sep 90 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Text] On 15 September, the Government worked out the general framework for its "UN Peace Cooperation Act" (tentative name), which will become a pillar for dispatching personnel as part of Japan's contribution to the Middle East buildup. The general framework states that Japan will 1) contribute to activities promoted by the UN, as a central figure, for maintenance and recovery of international peace; 2) establish an "unarmed" UN Peace Cooperation Team [UNPCT] (tentative name), which will consist of those who are transferred from the Self-Defense Forces [SDF] and other people, for nonmilitary activities; and 3) promote activities in technological fields, including transportation, communications, medicare, monitoring, and construction. The framework also spells out the following: The prime minister will be the supreme commander of the team and its members, including those recruited from the private sector, who will be treated as ordinary government employees; the Self-Defense Forces Act will not be revised as a result of the establishment of the peace cooperation team.

After coordinating with the Liberal Democratic Party [LDP] and relevant ministries and agencies within the general framework, the government plans to draw up a bill by late September, when Prime Minister Kaifu leaves for the United States. The government, however, is expected to face rough going in drawing up the final bill, because several issues, including the guarantee of the status of the UNPCT members where they are dispatched, have not yet been finalized and also because there are different opinions and strong opposition in the LDP regarding the dispatch of SDF members abroad.

The idea of establishing the UNPCT has surfaced out of the need to comply with demands by the United States and other countries. Although Japan was asked to make a personnel contribution in the Persian Gulf crisis, it wants to avoid directly dispatching the SDF. To evade the criticism that a direct dispatch would open the way for the SDF to send troops overseas, the Defense Agency [DA] objected to the proposal for changing the status of SDF members to UNPCT members, saying that "the SDF is not a manpower company." The DA, however, after coordination on 15 September among government agencies, softened its attitude, saying "It is unavoidable to send SDF members abroad as ordinary public servants," (according to a chief DA official).

The cooperation team is required to act in a disciplined manner under severe conditions. Moreover, it is also necessary for the team to take its own action, without support from troops of other nations. It is likely, therefore, that, not only medical officers, but former members of the SDF, will become the central figures of the cooperation team, and that a senior SDF officer will command the team. The government plans to assign some 100 to 200 personnel on constant alert. Also, the government wants to be capable of making immediate and sharp personnel increases in case of emergency by establishing a registration system, which will accept private citizens as well. Thus, the maximum number of personnel who can be mobilized may exceed 2,000. In this way, the government is envisaging the capability of providing large-scale support, which will be highly assessed by the international community.

It is still uncertain, however, to what duties the members of the cooperation team will be assigned, or where they will be dispatched. Also, no decisions have yet been made as to whether the cooperation team will be placed under the direct jurisdiction of the cabinet itself or belong to the Foreign Ministry. Furthermore, the government has not discussed details of various issues; including whether the USPCT will be provided with a minimal amount of weapons necessary for self defense. Regarding vehicles to be used by the USPCT, no thorough discussions have yet taken place as to whether they should be owned by the USPCT itself or be borrowed from the SDF.

Moreover, some members of the LDP severely criticize the idea of placing major responsibility for leading the USPCT on the SDF members by changing their status as

"a temporizing method," (according to Secretary General Ichiro Ozawa). Since there is a strong demand for a justifiable amendment of the Self-Defense Forces Act, it seems that the government needs more time for coordination.

LDP for Increasing Share of U.S. Gulf Expenses

OW1609120190 Tokyo MAINICHI SHIMBUN in Japanese 15 Sep 90 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] Top leaders of the Liberal Democratic Party [LDP] indicated on the evening of 14 September that Japan should comply with a demand from the U.S. Congress to increase Japan's share of the expenses for the U.S. forces stationed in Japan. Moreover, concerning the percentage of the share, they disclosed that Japan's share would be about 50 percent of the total expenses, saying that "from the standpoint of common sense, we should take the issue as a problem concerning joint management."

Meanwhile, former Finance Minister Miyazawa appeared on a program sponsored by a commercial television station on the same evening. Touching on the issue concerning Japan's share of the expenses for the U.S. forces stationed in Japan, Miyazawa stated: "I think we should share one half of the expenses. If we should just take care of all the salaries (for the American soldiers), I think the time will come when they will have to be referred to as mercenaries." Thus, Miyazawa indicated his view that Japan's share of the expenses should at most be limited to one-half.

Nation's Image 'Tarnished' by Gulf Policy

OW1909154590 Tokyo MAINICHI DAILY NEWS in English 16 Sep 90 p 1—FOR OFFICIAL USE ONLY

[Unattributed article: "Japan Image Tarnished by Gulf Policy Miscalculation"]

[Text] The Foreign Ministry has tarnished Japan's image in the international community by its grudging response to providing assistance to the multinational forces in the Middle East, according to observers. The ministry also is guilty of miscalculating the magnitude and the expense of the crisis, the observers said.

Repeated miscalculations have resulted in severe criticism of Japan in the United States, which placed the Japanese government in a situation where it had no alternative but to comply with the U.S. request to contribute an additional 3 billion dollars. The Foreign Ministry had originally thought that it could manage the situation by contributing an additional 2 billion dollars, according to the observers.

In recent weeks Japan has been criticized for doing too little too late, with some of the most vehement criticism coming from U.S. legislators. Japan's contribution is "contemptible tokenism," said one particularly irate Senator earlier this week. The ministry's original Gulf policy addressed three areas: assistance to the multinational forces; assistance to the various Gulf countries that would suffer economically due to the embargo against Iraq; and shouldering the expense of keeping U.S. troops in Japan.

The ministry, fearing Japan was likely to face criticism if it only sent money—as it has done in the past—made preparations to send material assistance to the multinational forces as well as a medical team to the Middle East. It was also working to see a United Nations peacekeeping force established.

But the dispatch of transport planes and four-wheel-drive vehicles for use in the desert has been delayed by union opposition, and the medical team the ministry would like to assemble has been bedeviled by a lack of willing personnel. All of these setbacks have been reported in minute detail in the United States, sparking further criticism of Japan.

Furthermore, in working out the Gulf assistance policy that it announced Aug. 29, the ministry calculated that Japan's share of the estimated annual 5 billion-dollar cost of keeping U.S., troops in the Gulf region would be 1 billion dollars. But, the cost of the operation has soared due to the U.S. increasing its possible long-term conflict and Europe beefing up air power in the region. Thus, the West demanded more from Japan. "It seemed that 1 billion dollars would not be enough," admits a high-ranking ministry official. "We were too conservative in our estimate."

On Sept. 7, Treasury Secretary Nicholas Brady was sent to Japan as a special envoy by President George Bush where he met with Foreign Minister Taro Nakayama. In the meeting, Brady urged Japan to double its assistance to the multinational forces and to dispatch Self-Defense Forces to the Gulf.

When Nakayama explained that there were financial problems in sending more money and that Japan wes prohibited by its Constitution from sending military personnel abroad, he was apparently told that Japan was hiding in the shadow of its Constitution and that the Japanese people have "no guts."

Last week, Japan was made to feel the heat even more when the U.S. House of Representatives passed a defense bill amendment calling for Japan to pay the entire cost of keeping U.S. troops in Japan Thursday. It is thought that with a long-term Gulf presence in mind, the U.S. will put more pressure on Japan, forcing Japan to rethink its Gulf assistance policy.

Meanwhile, the government plans to make use of the international media to help solve its image problems after receiving some bad press overseas for its handling of the Gulf crisis. Foreign Minister Taro Nakayama told the Cabinet at its meeting Friday that Japan would use the U.S.-based Cable News Network (CNN) to tell the

world of its newly unveiled additional 3 billion dollar aid package for Middle East countries and multilateral forces in the Gulf. More media efforts will be necessary, Chief Cabinet Secretary Misoji Sakamoto told reporters later in the day.

Hashimoto Says Funds Not Secured for Gulf Aid

OW1709184790 Tokyo JIJI in English 1336 GMT 17 Sep 90—FOR OFFICIAL USE ONLY

[Text] Tokyo, Sept. 17 (JIJI PRESS)—Finance Minister Ryutaro Hashimoto said Monday his ministry has yet to find sources of funds to implement Japan's increased commitments of financial assistance for the solution of the Persian Gulf crisis. He made this clear at a top-level meeting between the government and the ruling Liberal Democratic Party (LDP), in explaining the enlarged 4-billion-dollar aid package, including supply of 2 billion dollars to the U.S.-led multinational forces deployed in the Middle East.

In its initial program announced late last month, Japan was to provide one billion dollars to the multinational forces, using fiscal 1990 budget reserves. Responding to U.S. calls for Japan's further contributions, Tokyo announced last Friday it will supply the multinational forces an additional one billion dollars and newly extend 2-billion-dollar financial assistance to three front-line nations hard hit by the crisis—Egypt, Turkey and Jordan. Hashimoto told the government-LDP meeting that his ministry has yet to secure fund resources sufficient enough to cover the entire 2-billion-dollar commitments for the multinational forces under a supplementary budget for fiscal 1990 ending next March. The Middle East conflict is likely to continue influencing the national budget for the next fiscal year, he said.

JCP Opposes Aid to Gulf Multinational Forces

OW1709190990 Tokyo JPS in English 0942 GMT 17 Sep 90—FOR OFFICIAL USE ONLY

[Text] Tokyo Sep 17 JPS—The Cabinet under Prime Minister Toshiki Kaifu on September 14 decided on the second-round of financial contributions for the deployment of the "multinational forces" in the Gulf, and for assistance to the neighboring countries of Iraq which are suffering as a result of the latter's invasion of Kuwait. The new contribution to the "multinational forces", composed mainly of U.S. Forces, is one billion dollars which is in addition to the first round of the same amount, while assistance to the neighboring countries of Iraq totals two billion dollars.

Mutsumi Sasaki, chairman of the International Commission of the Japanese Communist Party [JCP], issued a statement on the same day, which says: (in full) The Japanese Government made public today the second round of its contribution for actions dealing with the Mideast crisis. It consists of one billion dollars in addition to the same amount in the first round which was also directed to the "multinational forces" which are centered U.S. Forces. Also two billion dollars that will be provided for three countries (Egypt, Jordan, and Turkey—ed.), two of which have borders with Iraq. The JCP has already severely criticized this and called for the cancellation of the "contribution," especially the amount for the "multinational forces," of the previous round which the government decided on August 29. The latest decision constitutes open defiance of such criticism.

We have already pointed out that the "multinational forces" are largely composed of U.S. Forces, and are reacting to the Iraqi invasion along the lines of a military alliance—force which has nothing to do with the United Nations. The "multinational forces" are not endowed with any right to impose sanctions on Iraq on behalf of the United Nations. To give assistance to the "multinational forces" runs counter to the principle of action based on the U.N.—and is an infringement of infringes upon the Japanese Constitution. Who will accept the one billion dollars the Japanese Government decided on in the first round has yet to be determined, because the United Nations has refused to accept it. Under these circumstances, the JCP criticizes the government severely for repeating their wrong decision by docilely complying with the demands of the United States.

Assistance to and cooperation with the "multinational forces" should be canceled at once, and assistance should be exclusively given to the U.N.-centered activity so that Japan can make an active contribution in the non-military field. As for the economic aid to Egypt, Turkey and Jordan, it is true that they are in need of assistance because they are suffering from the economic sanctions imposed on Iraq. But they are not the only Mideast countries which have been affected in this way. So on the question of economic aid to countries neighboring on Iraq, it must not be made to go along with and supplement U.S. strategy, but should be fairly given through the United Nations as intermediary. What is asked of Japan in this regard is to accept the United Nations as the leading responsible body and reinforce its function."

Saudis Said Ready To Retaliate Against Iraq

OW1909042290 Tokyo JIJI in English 1450 GMT 18 Sep 90—FOR OFFICIAL USE ONLY

[Text] Tokyo, Sept. 18 (JIJI PRESS)—Saudi Arabian Ambassador to Japan Fawzi bin 'Abd al-Majid Shobokshi said Tuesday Saudi Arabia is ready to retaliate if Iraq invades his country.

Shobokshi made the remark when he was invited to the Liberal Democratic Party's headquarters by the Japan-Saudi Arabia Parliamentarians' League.

He expressed his thanks for Japan's contributions to resolving the Middle East crisis arising from Iraq's invasion of Kuwait Aug. 2.

The Saudi Arabian ambassador stressed that nations in the world should be united to put an end to the Gulf crisis through peaceful negotiations or armed forces.

Engineers, Builders Hit by Middle East Crisis

OW2009123190 Tokyo THE JAPAN ECONOMIC JOURNAL in English 22 Sep 90 pp 1, 24—FOR OFFICIAL USE ONLY

[By Takehiro Fukuda]

[Text] When Iraqi tanks rolled into Kuwait on Aug. 2, JGC Corp., a leading Tokyo-based engineering firm, was putting the finishing touches on a 10-billion yen gas-processing plant in Bahrain.

As other Japanese companies raced to evacuate their employees from the region, JGC kept seven of its staff at the plant to finish the work on time.

"We'll evacuate them as soon as the plant is completed," said a director at the International Project Division. "From then on, we will not take part in any Middle Eastern business until the region is stable enough for investors to resume business, banks to give loans, and us to be assured our people will be safe."

As the Gulf crisis drags on, many Japanese executives are echoing that views. Anxiety about the region is growing so acute, in fact, that engineering and construction companies are already shifting their Middle Eastern business to other promising markets, including Southeast Asia, China and even the Soviet Union.

The reason: The hike in petroleum prices has prompted many of these oil-producing countries to step up oil output, and that means they will need outside engineering expertise to bring more production facilities on line.

'It means nothing now'

Prospects for Japanese plant-related companies had seemed limitless in early July when Takao Tomiyama, general manager of Tokyo Engineering Co.'s (TEC) process plant division had declared, "Heavy demand for plants in Asia and the Middle East will last at least a few more years. By the time it slacks off, East Europe, the Soviet Union and China will be placing orders."

Indeed, Japanese plant orders overseas grew a record 60.4 percent in the year ended March 1990, to 12.67 billion yen, surpassing the 10 billion yen, level for the first time since fiscal 1982. Orders from the Middle East accounted for 28.5 percent of that amount in the year ended March 1990, and were expected to make up nearly 20 percent of the orders this fiscal year.

"We could have expected 1 trillion yen worth of plant projects in the Middle East in the next several years, without the Gulf crisis," said Takashi Inomata, general manager, Energy and Chemical Machinery Plant Division of Mitsui & Co.

On July 15, JGC won a bid to help construct a 50-billion yen oil refinery at al-Ahmadi, Kuwait, but "it means nothing now," said President Eiji Watanabe.

Tokyo Engineering Co. (TEC) which got an order for a 9-billion yen acrylonitrile-butadiene-styrene resin plant in Iraq in 1988, had already ordered machine tools and other equipment. After the fighting broke out, TEC asked those firms to freeze production.

Mitsubishi Heavy Industries Ltd. had to stop construction of a 130-billion yen power plant in Kuwait, partly because some of the payments hau been delayed.

The situation is equally bleak for Chiyoda Corp., which has been heavily involved in the Mideast.

"Although direct damage was not so great, we will likely suffer large indirect damages," said Senior Managing Director Masato Kitagawa. "We will lose opportunities to win hundreds of billions of yen worth of orders in the next several years."

Looking elsewhere

Private firms, however, have not given up hope of expanding their business in the coming years. Only now, they are looking to other locations.

"If there is a region to replace the Middle East, it most likely will be Southeast Asia," said one analyst. "The nations with abundant natural resources including oil and gas, such as Indonesia and Malaysia, will benefit from oil price hikes and are willing to expand production."

In Indonesia, at least three refinery plants and four petrochemical plants are being planned. None of the projects are said to be worth less than 200 billion yen.

Toward the end of the year, PERTAMINA, the national petroleum company, is expecteds to launch a 240 billion yen ethylene plant project on Java that's expected to produce 370,000 tons a year.

In November, the Petroleum Authority of Thailand plans to offer bids for a 75-billion yen ethylene plant capable of producing 350,000 tons a year, in Map Ta Phut district.

Malaysia has resurrected a refinery construction plan in Malacca. JGC will bid for this 100-billion yen contract in September.

"But it won't be easy," says Chiyoda's Kitagawa. "The Americans, who had been busy responding to domestic demand, are turning to the Asian market since the U.S. economy has slowed down."

Still, the Japanese plant industry has been gratified at the prospect of doing more business with the Soviet Union, especially after Foreign Minister Eduard Shevardnadze's Tokyo visit earlier this month.

"Invitations to set up joint ventures in the USSR have been increasing day by day," said one trading house official.

Mitsui has joined a consortium of European and American companies to promote a 2.2-billion yen petrochemical complex in Tobolsk whose prospects seem brighter now due to oil price increases.

Tokyo wil offer 810-billion yen in loans to China in the next five years to help fund the power plants, dams, fertilizer plants, water supply systems, and other infrastructure-related facilities Beijing is planning.

"Competition will likely be intense," a sales director at one plant engineering company remarked. "But we have confidence we'll win the auction and cover the expected loss from the Middle East. We won't be hurt as much as people think."

Commentary Criticizes Gulf Crisis Contributions

OW2009085990 Tokyo THE JAPAN ECONOMIC JOURNAL in English 22 Sep 90 p 9—FOR OFFICIAL USE ONLY

[By Masao Kanazashi]

[Text] Since the outbreak of the Gulf crisis, Japan has come under strong criticism from abroad, especially from the U.S. Congress and the White House, about its reluctance to contribute men and hard-ware to the international effort to contain Iraq. Japan is ready to offer cash and that's all, critics charge.

From a country like the U.S., confronting Iraq with a massive deployment of troops, aircraft and warship, Japan's response may look not only insufficient but even sneaky—intent only on avoiding danger. Constitutional limitations and commitment to being a "peace nation," the favorite refrains from Japan during such crises, tend to be interpreted as mere excuses.

Should Japan be really criticized?

There is little doubt that Japan must accept due responsibility and a role as a major member of the international community, as a country basing its well-being and survival on world peace and stability. The question is what sort of contribution is most effective for Japan to make, and what is the most appropriate role for it to play.

Simply but, what is Japan best at?

The answer is the utilization of its economic power. Technological expertise may follow. These are the fruits of the Japanese people's strenuous efforts and sagacity in the past four decades.

There is nothing wrong about Japan making the best use of its financial resources to contribute to the peace and stability of the international community, as well as contributing to the development of individual countries. Japan should uphold this policy in the future.

It is irrelevant to criticize Japan as inclined to "settle everything with money." For money appropriated for international cooperation and foreign aid comes from taxes paid by people and, therefore, it's not something to be taken lightly.

If Japan exudes an image of being such a country, it's a pity, although it is to some extent of Japan's own making, given the behavior of cash-rich corporations and consumers buying up overseas real estate and foreign luxury goods.

As is the case with individuals, the haves often become objects of jealousy in relations between countries. However small, a contribution by a poor country is lauded, while one by a rich country is taken for granted and may even be disparaged if it's not generous enough.

Despite its huge amount of overseas development assistance, Japan's effort is not necessarily fully appreciated, probably because of the way it is provided.

Moreover, it took as long as one month for the Japanese Government to reach a decision on what its part should be in regard to the Gulf crisis. While officials were engaged in inconclusive discussions, the U.S. stepped up its pressure on Japan to send Self-Defense Force troops for rear duties and to provide aircraft and sea transport for troops and military equipment. Under the circumstances, some officials went so far as to assert that unless Japan complied, the country would face international isolation. Economic and financial aid was somehow pushed to the sidelines.

But such a myopic and irrational argument forgets to ask the real question: Will sending Self-Defense Forces be a way for Japan to contribute to world peace and stability? The answer is not so simply, when it is assumed that the area of conflict could be in neighboring China or the Korean Peninsula.

Even rear-guard action such as participation in transport and communication duties, as long as it is aimed at supporting armed conflicts, will infringe on Japan's basic postwar policy of avoiding military solutions to international conflicts. Anything can happen in battlefields.

In an international community that consists of a wide variety of countries and peoples, roles to be assumed by each should not be uniform. There should be a variety of roles to be played according to the strength and culture of different nations.

For Japan this means to restrict its best efforts to economic means. The country should at least be extremely prudent about sending Self-Defense Forces personnel to the Middle East until a full national consensus is formed and a United Nations force is put into place.

What Japan should pay more attention to is the way it conducts overseas assistance, as well as its tendency,

when convenient, to hide behind constitutional limitations and its status as the only nation to have been the victim of atomic bombings—in other words, its behavior in ordinary times

Kaifu Sending Nakayama to Syria for Aid Talks

OW2609142890 Tokyo JIJI in English 1235 GMT 26 Sep 90—FOR OFFICIAL USE ONLY

[Text] Tokyo, Sept. 26 (JIJI PRESS)—Prime Minister Toshiki Kaifu plans to have Foreign Minister Taro Nakayama visit Syria in early October, government sources said Wednesday. Nakayama is expected to discuss Japan's economic assistance to Damascus with Syrian leaders as Syria's strategic importance is increasing amid international efforts to isolate Iraq.

Kaifu's upcoming Middle East tour from Monday to Oct. 9 does not include Syria, where then Foreign Minister Sosuke Uno visited in June 1988.

The government hopes that economic assistance to [words indistinct] with an army of some 400,000, will contribute to having Iraq comply with UN resolutions and help the [words indistinct] support for the multinational forces deployed in the region, the sources said.

The timing of Nakayama's visit depends on political schedules before an extraordinary session of the Diet (parliament) convenes in mid-October, but is likely to be early October since the minister will stay in the United States until Monday, the sources said.

Syria, which broke diplomatic relations with Iraq in 1980, was the (?sole supporter) of Iran among Arab countries during its war with Iraq. It also restored relations with Saudi Arabia in late 1989.

Nakayama, now staying in New York for a UN General Assembly meeting, will talk about the visit at a meeting with Syrian Foreign Minister Faruq al-Shar Friday, the sources said.

United States

Guidelines Drafted for Controlling Trade Practices

OW2009142190 Tokyo THE JAPAN TIMES in English 19 Sep 90 p 9—FOR OFFICIAL USE ONLY

[Text] To control unfair business practices and contracts by foreign exporters and Japanese import agents, the Fair Trade Commission has drafted new guidelines for enforcement of the Antimonopoly Law. The draft, made public Tuesday, refers to 34 kinds of business practices and terms eight as illegal, 12 as legal and 14 others as "gray." The latter may be violations of the law in certain situation.

A previous guideline issued in November 1972 cited 34 kinds of practices and put only seven in the gray category.

One section of the draft would make it illegal for a Japanese company that is No. 1 in the domestic market with a 25 percent or more share to contract with a foreign exporter and become the exclusive import agent selling the same type of product exclusively to Japanese consumers.

Another of the illegal practices concerns a foreign exporter banning a Japanese import agent from doing research and development for a product covered by a contract between the two. If the exporter enforces the ban after the contract expires, it is illegal.

The commission's new guidelines are part of the recent pledges the government made to the United States under the Structural Impediments Initiative talks. The United States has criticized Japan's ambiguous and lenient enforcement of the Antimonopoly Law on import agents, saying agents get exclusive rights to import certain foreign goods, and thus keep their prices high in Japan.

The commission plans to complete the new guidelines by December after discussing the draft with business organizations and government agencies, both foreign and domestic, an official said.

The 12 legal practices include foreign exporters obligating a Japanese import agent to buy products from designated foreign wholesalers.

The 14 gray practices include a foreign exporter and an import agent setting minimum sales volume or prices at Japanese stores. This practice is illegal if sales volume or prices are unreasonable and disadvantageous to Japanese stores, according to the commission.

Government agencies, domestic and foreign business organizations and consumers' groups will have examined the draft by Oct. 18., the official said. The commission will also hear opinions by Oct. 28 from 23 industrialized nations in the Organization for Economic Cooperation and Development and 11 Asia-Pacific nations including Australia, India and South Korea.

Hashimoto, Brady Discuss Gulf, Latin America

OW2209143190 Tokyo JIJI in English 1311 GMT 22 Sep 90—FOR OFFICIAL USE ONLY

[Text] Washington, Sept. 21 (JIJI PRESS)—Japan and the United States Friday agreed that the two nations should continue working-level consultations to determine details of assistance to the so-called front-line nations economically battered by the Middle East crisis.

Treasury Secretary Nicholas Brady, at talks with Japanese Finance Minister Ryutaro Hashimoto here, expressed gratitude for Tokyo's expanded pledge of financial assistance for multinational peace-restoration efforts in the Middle East. Brady accepted Hashimoto's proposal that details of Tokyo's assistance to the front-line nations will be examined by their deputies—Assistant Treasury Secretary for International Affairs

Charles H. Dallara and Tadao Chino, director-general of the Finance Ministry's International Finance Bureau, according to Japanese officials.

Japan in late August announced a package of contributions to the solution of the Middle East conflict, including a one billion-dollar financial commitment to the U.S.-led multinational forces deployed in the Persian Gulf area.

Following Brady's visit to Tokyo Sept. 7 to seek Japan's greater assistance, Japan decided to double its commitment to the multinational forces and announced a new plan to extend financial assistance of 2 billion dollars to the three front-line nations of Jordan, Turkey and Egypt. The 2 billion-dollar assistance to the three nations consists of 600 million dollars in emergency commodity loans with a low interest rate of one pct and 1.4 billion dollars to be supplied as medium-term assistance.

The coordination work being undertaken by Chino and Dallara deals mainly with how the 1.4 billion dollars should be funneled into the three nations, such as the role to be played by the International Monetary Fund (IMF) and the World Bank, the Japanese officials said.

At their 40-minute talks at the Treasury Building, Hashimoto reiterated Tokyo's stance against reduction in developing nations' public debts owed to industrial countries. Citing President George Bush's decision earlier this month to forgive Egypt 7 billion dollars in weapons purchase bills, Hashimoto told Brady that while Japan does not necessarily oppose Washington's debt write-off, it itself will not take such an action. Japan, virtually the only nation among major economic powers that continues to supply fresh money to indebted developing countries, maintains that any cut in public debt would force it to halt a flow of new money to developing countries.

Among other issues, Brady expressed expectations that Japan will contribute to Bush's three-tier initiative for economic development in Latin America.

The Enterprise for the Americas Initiative, which Bush announced before the Houston summit of the seven key industrial nations in July, calls for the United States to conclude trade agreements with Latin American countries, create a 1.5 billion-dollar investment fund and reduce official debt for countries with sound economic policies. Of the investment fund to be administered by the Inter-American Development Bank (IDB), 100 million dollars each would come from the United States, Japan and European nations annually for five years. Hashimoto refrained from making a clear-cut commitment, saying that Japan would like to examine the initiative while watching progress on the scheme on the side of the United States and the IDB.

Agriculture Ministry on U.S. Sugar Decision

OW1909133990 Tokyo THE DAILY YOMIURI in English 17 Sep 90 p 8—FOR OFFICIAL USE ONLY

[Text] The announcement by U.S. Trade Representative Carla Hills Friday that the United States will replace import quotas on sugar with tariffs starting Oct. 1 has put Japan in an awkward position, Agriculture, Forestry and Fisheries Ministry sources said Sunday. The move was made by the United States as part of its campaign to have all import curbs changed into tariffs as a step toward the full liberalization of global farm trade, a plan that it had put before the Uruguay Round of the General Agreement on Tariffs and Trade.

The sources said that the government fears the United States will now step up political pressure on Japan to do the same thing with its restrictions on rice imports. The government will now have to think of a new justification for its rejection of U.S. calls for the liberalization of rice imports, the sources said.

The announcement does not mean, however, that the United States will not seek special exemptions for its sugar imports in line with the so-called waiver clause of GATT, the sources said.

During his visit to Japan in August, U.S. Agriculture Secretary Clayton Yeutter informed ministry officials of the U.S. intention to convert sugar import quotas into tariffs and asked Japan to do the same thing with rice. Ministry officials did not take Yeutter's proposal seriously at the time, however, because they did not believe that the United States would actually implement it, the sources said.

Other Countries

PRC Ties Said To Benefit From Gulf Crisis

OW1409012490 Tokyo THE JAPAN TIMES in English 13 Sep 90 pp 1, 6—FOR OFFICIAL USE ONLY

["Analysis" column article: "With World Spotlight on Mideast, Japan Will Move to Mend China Ties"]

[Text] While world attention is focused on the Gulf crisis, Japan appears to be taking advantage of the opportunity to improve relations with China, which suffered a serious setback after Beijing's bloody suppression of the prodemocracy movement 15 months ago.

Japan intends to send Education Minister Kosuke Hori to the opening ceremony of the Asian Games Sept. 22, although a final decision is yet to be made, government sources said. The visit will be the first by a Japanese Cabinet minister since the June 1989 crackdown in Tiananmen Square, central Beijing. Hori will accompany former Prime Minister Noboru Takeshita, who will act as Prime Minister Toshiki Kaifu's special envoy.

Takeshita is expected to formally convey to China's leaders Japan's decision to resume yen loans suspended after the Tiananmen incident. Japan has yet to extend a Y810 billion loan package pledged by Takeshita, then prime minister, during a visit to Beijing in summer 1988.

Until the Iraqi invasion of Kuwait Aug. 2, China was the focus of international criticism over the Tiananmen crackdown. At a Paris summit several weeks after the incident, the seven major Western democracies agreed to impose sanctions against China. The sanctions—agreed on by Japan, the United States, Canada, Britain, France, West Germany and Italy—included a suspension of economic assistance and highlevel contact.

Japan obtained tacit agreement from its summit partners at their Houston meeting in mid-July to extend the Y810 billion loan package. But it has remained very cautious about making the loans and reopening high-level contact for fear of drawing criticism from the West.

Before the Houston summit, Kaifu told officials of the ruling Liberal-Democratic Party he wanted to attend the Asian Games' opening as chairman of Japan's soft tennis association, not as prime minister. But the prime minister later abandoned the idea to avoid an angry response, especially from the U.S. Congress, which has been in the vanguard of international attacks on China for its violations of human rights, LDP sources said.

When former Foreign Minister Hiroshi Mitsuzuka said in Beijing on July 18 that Education Minister Hori would attend the Asian Games' opening, Chief Cabinet Secretary Misoji Sakamoto immediately ruled out the trip. Sakamoto told reporters in a news conference July 19, "Resumption of visits to China by cabinet-level officials will be considered if Beijing takes further democratic steps." But, he added, Hori's Beijing trip was "unthinkable at the moment" because the 1989 Paris summit agreement banning high-level contact with China remained in place.

However, a top government official recently said, on condition of anonymity, that "the international situation has dramatically changed since the Houston summit" due to the Iraqi invasion of Kuwait.

Shift in Focus

The official's remark appeared to suggest that, as world eyes are turned to the Gulf crisis, it may be possible for Japan to reopen cabinet-level contact with China without inviting criticism from abroad. Another government official said China's cooperative stance on the Gulf crisis, demonstrated in its support for an Aug. 25 United Nations resolution approving military action to enforce UN economic sanctions against Iraq, may help ease anti-Chinese sentiment in the U.S. Congress.

China, as one of five permanent members of the UN Security Council, has veto power on any such UN resolution.

The U.S.-backed resolution marked the first time in the UN's 45-year history that the council has authorized military action to enforce its economic sanctions.

Kaifu told reporters on Tuesday the Asian Games are designed to promote peace and Hori's Beijing trip is not a serious issue requiring prior consent from the six other summit nations. Critics, however, maintain China has failed to take any major steps toward greater democracy since the Houston summit and say Japan is simply trying to repair ties with the communist nation by sending Hori under cover of the Gulf crisis.

Soviet Economic Plan Stresses Improved Ties

OW1509141090 Tokyo MAINICHI SHIMBUN in Japanese 14 Sep 90 Evening Edition p 1—FOR OFFICIAL USE ONLY

[By correspondents Kenichi Kono and Ken Ishigaoka]

[Text] Moscow, 13 Sep—MAINICHI SHIMBUN on 13 September obtained a copy of the full text of the economic reform plan that Soviet President Gorbachev submitted to the Supreme Soviet on 11 September. The plan had been finalized after the president personally participated in adjusting a plan prepared by the government and a program drawn up by a group of specialists including Mr. Shatalin.

The final draft approved by the president describes the Soviet Union as being in a "crisis with the total social and economic system on the brink of collapsing." Declaring that the economy's shift to a market mechanism is the only outlet from the crisis, the plan presents a short-term 500-day campaign program which will begin with the activation of a committee for the introduction of emergency measures on 1 October.

The word "socialism" is not found anywhere in the draft plan, which announces that the Soviet Government will begin negotiations on economic assistance and loans with Western and other international institutions as soon as the plan goes into effect. The draft emphasizes the importance of removing political tensions with Japan and of concluding an economic cooperation treaty with them to make the plan a success. The document also notes the importance of President Gorbachev's coming visit to Japan in improving relations with the country.

The final draft, entitled "Plan for Transfer to Market Economy and Economic Stability," is 188 pages long. It is said to have been made on the basis of a reform program drawn up by members of the President Council, including Mr. Shatalin, while taking into account a plan drafted by the government and recommendations submitted by local republics.

The plan begins by giving an analysis of the present situation and says the collapse of the economic system began during the Brezhnev days during the middle 1970s. It says deterioration of production facilities,

expansion of financial deficits, and abuse of resources coupled with environmental destruction and a denuding of farmland have since proceeded in accelerated manners. It says the economy is now in a "structural crisis" as a result of these things happening simultaneously.

The document declares "there is no other way to break out of this crisis except by raising efficiency by shifting to a market economy." Specifically, it stresses maximum liberalization of economic activities with state control contained to minimum; free price formation based on principles of competition; expansion of market relations; and elimination of monopolies.

The original government plan envisaged shifting to a market economy over the six-year period from 1990 to 1995, but this final plan seeks to achieve its goal in 500 days from October this year, in the belief that "prospects of getting this plan achieved are slim unless we pursue it and fight it out over a short period of time." The plan is to be carried out in four phases of 1) the first 100 days, 2) the 101st to 250th day, 3) the 251st to 400th day, and 4) the 401st to 500th day.

During phase one, the federal government and republics will get together as one organization to solve imminent and critical issues. An emergency committee will be established under the president for expediting actions of recollecting surplus currency and reducing financial expenditures. If necessary, emergency measures like presidential decrees will be instituted to facilitate actions.

In phases two and three, price controls will be removed; state-run enterprises will be privatized through the adoption of stock-ownership systems; hitherto state-controlled economic operations will be denationalized and liberalized on a drastic scale, by taking such actions as selling state-owned property including residential houses; and privatization will be pushed in the agricultural sector by making the most of farmland occupancy and utilization rights.

During phase four, the economy will be placed on an upswing track, and liberalization in extended areas of people, commodities, and capital will be carried out by forming the labor market and by doing away with restrictions on places where people may live.

This final draft contains ambitious programs. There is no doubt it will be supported by people like Yeltsin, president of the Russian Republic Supreme Soviet. However, the plan also admits a jump in unemployment and a rise in commodity prices is inevitable. This point is expected to invite debates in the Supreme Soviet.

What is particularly noteworthy about the final draft is that it takes the trouble to refer to economic cooperation with Japan in a clause dealing with foreign economic relations. The draft states that "Japan has the world's largest capital capabilities and is an important country to the Soviet Union." It further expresses the great expectations attached to President Gorbachev's coming visit to Japan next year as an opportunity for progress in economic relations, saying: "Political contradictions with Japan should be resolved, and an economic cooperation treaty should be concluded with the country. This will be possible only through high level talks."

Abe-Led Delegation To Seek Gorbachev Meeting

OW1609163790 Tokyo ASAHI EVENING NEWS in English 15 Sep 90 p 3—FOR OFFICIAL USE ONLY

[Text] About 60 Japanese politicians will travel to the Soviet Union later this month in the hope of wrangling even a brief meeting with Soviet leader Mikhail Gorbachev that will boost their standing with voters. Shintaro Abe, a senior member of the ruling Liberal-Democratic Party (LDP), will lead the delegation to Moscow to attend a Japanese culture week Sept. 22-26. Abe proposed the culture week in January when he met Gorbachev in Moscow. Accompanying Abe will be about 60 LDP politicians.

"I haven't heard of such a huge delegation of 60 Diet members for quite a while," said a source close to the party. Many of those going to Moscow are betting that an old Japanese saying that foreign diplomacy cannot win votes no longer holds true. Michio Ochi, a member of the Lower House from Tokyo, said members of his constituency recently greeted with boos and hisses his announced intention to build bridges and parks in the district. Ochi said his supporters consider bridges and parks mere "trifles." "Nowadays, politicians should pretend to play a part even in international issues, at least those reported in newspapers," said Hiroshi Oki, a former Foreign Ministry official who is now a Diet member.

Gorbachev is widely respected in Japan for having helped bring democracy to Eastern Europe. "We are not the only ones interested in the Soviet Union," said Nobuyuki Hanashi, who went to Moscow with Abe in January. "After the trip, the audience paid full attention to my speech when I talked about Gorbachev."

Koki Kobayashi plans to hold a meeting for his backers when he returns to Japan. "I'm going to tell my supporters whether Gorbachev's hands are big or small, soft or hard," he said. "I want to tell them whether ordinary women like him or not. I'm sure I can make a hit out of such topics." Takeo Kawamura plans to report on his visit at a meeting of about 2,000 supporters. Takanori Sakai put off a meeting with a youth group until after the trip because the group asked him to speak about the Soviet Union. But it is unlikely Gorbachev will have time to talk, shake hands or pose for photos with each of the 60 visiting Japanese politicians. Asked what they plan to do in the Soviet Union, many delegation members said they plan to stick close to Abe, a potential future prime minister who will probably get a chance to meet with Gorbachev.

Soviet Naval Officer Views Dispatch of SDF

OW1609102290 Tokyo YOMIURI SHIMBUN in Japanese 16 Sep 90 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] Vladimir Kuzhari [name and title as published], Soviet Navy colonel and chief of the International Department of the Soviet Army organ "KRASNAYA ZVEZDA" (RED STAR), recently granted an interview to YOMIURI SHIMBUN in Tokyo. Touching on the animated debate as to whether the Self-Defense Force [SDF] personnel should be dispatched overseas in connection with the Gulf crisis, Colonel Kuzhari stated his flexible view, and said: "If they should be dispatched within the framework of the UN forces, there would be no reason for the Soviet Union to entertain apprehensions." From his remarks, it may be observed that in light of the changes in the post-Cold War situation, the Soviet military authorities may have made a major shift in their approach toward Japan.

AKAHATA Reproves Soviets for Training Iraqis

OW1709190690 Tokyo JPS in English 0920 GMT 17 Sep 90—FOR OFFICIAL USE ONLY

[Text] Tokyo Sep 17 JPS—The AKAHATA editorial on September 16 strongly denounces the Soviet Union for training Iraqi military personnel in the Soviet Union. The editorial entitled "We Condemn the Soviet Attitude of Supporting the Aggressor State" says in gist: It has been revealed that Iraqi soldiers were being trained by the Soviet Union in Latvia. The Presidium of Latvia's Supreme Council adopted a resolution on September 13 demanding the withdrawal of the Iraqi military specialists from Latvia.

Agreeing to sanctions against Iraq as resolved by the United Nations, the Soviet Union has been training Iraqi military specialists on Soviet territory. This is an outrageous attitude of the Soviet Union which is support for the aggressor Iraq. The Japanese Communist Party's [JCP's] stand on the continued stationing of Soviet military advisers in Iraq was expressed in a statement issued after the U.S.-Soviet summit held on September 9. It said: "The Soviet Union is in the unconscionable position of continuing to station its military personnel in Iraq, sent there under a treaty with Iraq. In addition to military advisers, it is said that there are over 8,000 advisers of many categories still in Iraq, which cannot but call the Soviet position in question. We cannot approve of cooperation with an aggressor country in such a form." (Statement of the Japanese Communist Party, Mutsumi Sasaki, on September 10.)

In a press conference held after the summit, asked if the Soviet Union will remove its advisers from Iraq, President Gorbachev replied that the process of their withdrawal is ongoing, and he sees no problems. Despite his words, the Soviet Union in reality has undertaken military aid to Iraq. The Soviet Union has trained Iraqi personnel to deal with military ships and to use weapons at the Soviet Navy training center in Latvia's capital of Riga. According to the director of the Information Bureau of the Soviet Foreign Ministry, some tens of Iraqi personnel are under training. It is a matter of course that the Security Council of the U.N. passed five resolutions including condemnation of Iraq's aggression against Kuwait, and the imposing of sanctions on Iraq. The Soviet Union expressed its approval for those resolutions, and moreover, it also issued statements denouncing Iraq jointly with Japan, and with the U.S.

Although expressing approval of the serious resolutions on sanctions against Iraq, the Soviet Union has cooperated in strengthening Iraqi forces. At the bottom of the Soviet attitude, there lies its great power chauvinism. One of the factors which has helped the recent growth of Iraq into a big military power is the military aid, including massive quantities of arms, provided by the Soviet Union. The Soviet Union has promoted policies based on great power chauvinism and hegemonism in the Mideast, as seen in the Brezhnev era. It has aimed at expanding Soviet influence over Iraq, by giving big military aid from this standpoint.

The reason why the Soviet Union is continuing to train Iraqi troops is that it wants to maintain its interests in Iraq by any means. To give priority to one country's interests before respecting another country's right to self-determination, which is contrary to the world axiom, is nothing less than great power chauvinism.

The Japanese Communist Party strongly denounces the Soviet Union, its great power chauvinism, which continuously gives military aid to Iraq and its aggression. The JCP also demands that the Soviet Union immediately halt its military aid to Iraq and completely carries out sanctions against Iraq, in line with the resolutions adopted by the United Nations.

Sakhalin Oil Field Project To Be Resumed

OW2009103590 Tokyo ASAHI EVENING NEWS in English 19 Sep 90 p 4—FOR OFFICIAL USE ONLY

[Text] Japanese companies and the Soviet Union are currently negotiating details of the joint venture project to develop a marine-bed natural gas oil field off the coast of Sakhalin to be resumed in 1992.

The project, first decided between the two countries in 1972, has been virtually frozen since 1986 because low oil prices at that time detracted its profitability. The resumption has been decided, however, in the light of the Soviet Union's economic rehabilitation efforts and the rising oil prices amid the growing tensions in the Middle East.

Commercial production is scheduled for 1995 or 1996, according to their plan. A final decision is likely to be made in June next year, following a visit to Japan by Soviet President Mikhail Gorbachev. Formal agreement

will be made by the end of 1991. Total project cost is estimated at about $2 billion.

Delays in Soviet Import Payments Increase

OW2609030290 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Sep 90 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Text] The Soviet Union has delayed the payment of $520 million in imports to 14 major Japanese trading companies as of the end of July, according to a government source. This represents a 15 percent increase since the end of June, and indicates that the issue of delayed Soviet payment is becoming more serious. It is likely that a long-term stagnation in trade between Japan and the Soviet Union is unavoidable, and that payment of trade insurance compensation for irrecoverable credits will surface.

The large increase in delayed payments is the result of the emergency imports the Soviet Union has been forced to buy in the wake of recent food shortages. This accelerated the foreign currency shortage, as did the already worsening reserve position of major public steel and chemical corporations. The Soviet Government has promised to normalize its payments as soon as possible. However, no concrete actions in this regard have been noted. Although the Soviet Union has made some small payments, the amount of delayed payments is increasing every day.

There is a growing hope among some government officials, however, for the future, saying: "Because the price of crude oil is now rising rapidly in the wake of the worsening Middle East situation, the foreign currency shortage in the Soviet Union, which is an oil producing country, will ease. Thus, there is a possibility that the amount of delayed payment will be reduced temporarily next year." However, the majority of officials believes that "it is unavoidable that the amount of delayed payment will increase in the medium or long run as long as the Soviet efforts at economic reconstruction do not enter smooth water."

Due to the delay in Soviet payments, which first became apparent last fall, trading companies are now faced with delayed payments amounting to tens of millions of dollars. There is growing demand for the payment of trade insurance compensation. Because each company is now unable to start new businesses with the Soviet Union, the government is becoming increasingly concerned about the possibility of a reduction in trade between Japan and the Soviet Union in the future.

Three East European Countries Seek Assistance

OW2109123490 Tokyo THE DAILY YOMIURI in English 20 Sep 90 p 1—FOR OFFICIAL USE ONLY

[Text] Poland, Bulgaria and Romania have asked that Japan extend each of them assistance to compensate for losses they claim to have suffered as a result of complying with UN-approved sanctions against Iraq, a government source said Tuesday.

These requests were the first by East European nations for direct Japanese aid in the aftermath of Iraq's Aug. 2 invasion of Kuwait.

The three countries explained that they had each suffered a loss of $1 billion following the Aug. 2 outbreak of the Middle East crisis.

The three East European countries have participated in the embargo on oil imports from Iraq as urged in a UN Security Council resolution. As a result, their governments said, they are no longer able to export machinery to Iraq, to which they have collectively extended $6.25 billion in credits.

The economic difficulties resulting have severely affected their planned internal economic reforms.

Bulgaria and Romania, along with Yugoslavia, have called on the UN Security Council to help compensate them for the losses they incurred in supporting the sanctions against Iraq.

U.S. President George Bush pointed out the need for major industrial nations to share responsibility in extending aid to East Europe. U.S. Treasury Secretary Nicholas Brady, during his Sept. 7 visit to Japan, also called on the government to cooperate in allotting assistance to that region.

The European Community and some developing nations will soon start discussing ways to help effect reforms in East Europe.

The government reportedly plans to start working out relief measures for East Europe after implementation of its planned contributions for Middle East nations.

In working out a proposed package of East European aid, the government intends to consult with economically developed nations and to review the losses of East European nations. It may submit Japan's relief measures to a meeting of the Group of 24 Western countries scheduled to meet in Brussels in late October to discuss assistance for East Europe.

The relief measures will cover six countries—Poland, Hungary, Czechoslovakia, Bulgaria, Romania and Yugoslavia.

If the crude oil price incrases are taken into account, these nations' total losses are estimated to amount to nearly $20 billion. Japan may be pressed to bear at least 10 percent of this.

Political observers predict that there will be controversy as to the extent of Japan's contribution to the peace and stability of the Middle East crisis.

CSFR Minister Calls for Economic Assistance

OW2009150190 Tokyo JIJI in English 1438 GMT 20 Sep 90—FOR OFFICIAL USE ONLY

[Text] Tokyo, Sept. 20 (JIJI PRESS)—Visiting Czechoslovak Economics Minister Vladimir Dlouhy Thursday afternoon sought economic assistance for his country from Japan and other Western-bloc nations.

During talks with Foreign Minister Taro Nakayama, Dlouhy said the Czechoslovakian economy is deteriorating because of heavy payments for oil and natural gas imports from the Soviet Union and of a trade embargo on Iraq.

Nakayama said Japan hopes to consider economic assistance to that country at meetings of the European Bank for Reconstruction and Development and the Group of 24 Western nations on aid to East Europe.

DPRK Use of Communications Satellite Planned

OW1909172190 Tokyo ASAHI EVENING NEWS in English 18 Sep 90 p 3—FOR OFFICIAL USE ONLY

[Text] The government plans to allow North Korea to start telephone and video communications with Japan via an international communications satellite, official sources said Monday. The plan will be conveyed to the North Korean government during a visit to Pyongyang by a group of Diet members from the Liberal-Democratic Party and the Japan Socialist Party [JSP], the sources said. The group is scheduled to leave next week aboard a chartered Japan Airlines plane, which will fly direct to Pyongyang across the Sea of Japan.

North Korea, which built a ground station for satellite communications four years ago, now has the necessary facilities to use an Intelsat satellite. North Korea is not a member of Inelsat, the international satellite communications body, but nonmember countries can use its satellites.

The Ministry of Posts and Telecommunications and KDD, the international telephone company, moved once toward approving the use of an Intelsat satellite by North Korea. But the Foreign Ministry, concerned about relations with South Korea, opposed the move.

The detention of two Japanese seamen in North Korea on spying charges, a major issue pending between Japan and North Korea, also prompted the Foreign Ministry to oppose the North Korean request for use of an Intelsat satellite.

The parliamentary delegation, headed by former Deputy Prime Minister Shin Kanemaru and Makoto Tanabe, JSP vice chairman, is expected to discuss other plans to open the way for normalization of ties between Japan and North Korea. One is a proposal to set up a liaison office in Tokyo and Pyongyang.

Liaison Offices in North Korea Planned

OW2109121190 Tokyo THE DAILY YOMIURI in English 20 Sep 90 p 1—FOR OFFICIAL USE ONLY

[Text] The government and Liberal Democratic Party [LDP] agreed Tuesday that the private sector, with government assistance, will take charge of the planned Japan-North Korea liaison offices and that these offices will deal with trade and economic matters, a political source said.

Establishing such offices will be discussed during the simultaneous missions of the LDP and Japan Socialist Party [JSP] scheduled to visit North Korea next week. The LDP team will be led by former Vice Prime Minister Shin Kanemaru; the JSP mission by party Vice Chairman Makoto Tanabe.

The two missions and the (North) Korean Workers Party have basically agreed to establish the offices but have not determined whether they would be under government supervision and handle only consular tasks, oversee trade or be purely private sector.

Among the consular duties the offices could perform would be the issuance of visas. Japanese passports are now valid for travel to all nations except North Korea.

Referring to the government-LDP accord, the source, who declined to be identified, said the Kanemaru mission will propose the following measures to improve bilateral relations:

—The two nations will exchange information on each other's trade system and market trends.
—Japan will apply conventional duties on goods imported from North Korea when Pyongyang has issued more details on its own tariff system.
—Japan will dispatch a mission to review possible imports from North Korea.
—North Korean economic officials will be invited to Japan.
—Japan will send technical instructors to North Korea.

The source said the government-LDP agreement took note of North Korea's shortage of foreign currency, inhibiting that nation from rapidly increasing trade. The report also observed that North Korea's overdue debts to Japan make it impossible to obtain trade insurance for exports to North Korea.

The agreement went on to say that the private sector-based businesses will be supported by the government.

The form of the trade and economic offices is thought to reflect a similar arrangement established by South Korea and the Soviet Union. The two countries, which do not have formal diplomatic relations, established trade offices in April 1989 and signed a protocol in December of that year authorizing the execution of consular duties in these offices, beginning in January 1990.

The source said the reaction of Pyongyang to the expected proposal, particularly the item on consular tasks, would be significant.

Kanemaru To Seek Pyongyang Nuclear Accord

OW2509150990 Tokyo JIJI in English 1412 GMT 25 Sep 90—FOR OFFICIAL USE ONLY

[Text] Pyongyang, Sept. 25 (JIJI PRESS)—Former Japanese Deputy Prime Minister Shin Kanemaru will urge Pyongyang to sign a nuclear safeguard agreement with the International Atomic Energy Agency (IAEA) and agree to IAEA inspections of North Korean nuclear facilities.

Kanemaru, who heads a visiting mission from Japan's ruling Liberal Democratic Party (LDP), will make the request at the mission's meeting with Korean Workers Party (KWP) leaders, expected to be held here Thursday, a mission source told JIJI PRESS Tuesday.

North Korea joined the Nuclear Nonproliferation Treaty (NPT) in December 1985, but has refused to sign a nuclear inspection agreement, arguing that nuclear weapons in South Korea should first be removed and that the United States should promise it will not use nuclear weapons against North Korea.

Pyongyang has not softened its stance despite criticism from delegates at an NPT review meeting, held in Geneva in early September, calling on North Korea to allow IAEA inspections at an early date.

Some observers speculate that North Korea could go nuclear by 1995, posing a major threat to Japan and other neighboring Asian countries. Washington is also gravely concerned about Pyongyang possibly developing nuclear weapons, and U.S. Ambassador to Japan Michael Armacost asked Kanemaru, ahead of his current visit here, to urge North Korea to agree to IAEA inspections.

Firm Opens Mongolia Office, Studies Projects

OW1909155290 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Sep 90 Morning Edition p 9—FOR OFFICIAL USE ONLY

[Text] The C. Itoh Company has set up an office in Mongolia. This is the first time a Japanese company has opened an office in Mongolia. Mongolia has relied on the communist bloc, mainly the Soviet Union, for 90 percent of its external trade. Mongolia has shifted to an open-door policy and plans to expand trade with Western nations following cuts in the Soviet economic aid. With an eye on abundant Mongolian resources like steel and copper, Nissho Iwai Corporation and other Japanese companies are studying the prospect of opening offices in Mongolia.

The C. Itoh Company obtained the formal license necessary for opening its office from the Mongolian Foreign Trade and Economic Cooperation Ministry and recently sent a staffer to Ulaanbaatar. The company received an order (of 8.1 billion yen) for steel mill facilities in Mongolia and is cooperating with Mongolia in undertaking a project survey on the construction of a copper smeltery. With an office in Mongolia, the company plans to expand its export of industrial plants to Mongolia and increase the import of resources from Mongolia. Nissho Iwai Corporation, in cooperation with the Victor Company in Japan, has concluded a technical assistance contract with Mongolia for the production of color television sets. The corporation is studying the possibility of opening an office in Mongolia, taking advantage of the conclusion of this contract.

Japan's exports to Mongolia in 1989 stood at 1.5 billion yen, up 130 percent over the previous year. Major export items were machinery and household electric appliances. In the same year, Japan imported 4.7 billion yen worth of copper ore and wool from Mongolia; imports were up 21 percent over the previous year.

Loans Extended for Indian Development Projects

OW1409143790 Tokyo JIJI in English 1301 GMT 14 Sep 90

[Text] Tokyo, Sept. 14 (JIJI PRESS)—The Japanese Government decided Friday it will extend 104,826 million yen in low-interest loans to the Indian Government for the current fiscal year. The loans include 49,801 million yen for the Anpara thermal power station construction project. The remainder will cover five other development projects. The credits will be repaid over 30 years, including a 10-year grace period, at an annual interest rate of 2.5 percent.

Political Issues

* Series Looks at Political Changes, Reforms

902B0223A Tokyo YOMIURI SHIMBUN in Japanese 27-31 Jul, 1-2 Aug, 4, 5, 7 Aug 90—FOR OFFICIAL USE ONLY

[Unattributed article: "Japanese Politics at a Turning Point"]

[27 Jul 90 p 1]

[Text] On 31 July, the Election System Investigation Council will submit its second report featuring the reform of the House of Councillors election system and seek public support to this end. The first report, setting a shift of power as its top aim, called for the introduction of the parallel combination [heiritsu] plan which seeks to combine small-constituency and proportional-representation systems in the House of Representatives election. Together with this, everything for political reform will be on hand after the second report is submitted. We will also greet the 100th anniversary of the establishment of the Diet in November. At no time have

we faced so great a need for a political and administrative mechanism capable of coping with domestic and foreign developments and for a change in consciousness as at present.

"Allow me to carry out political reform if not other tasks." This is a part of the remarks which Prime Minister Toshiki Kaifu made on the phone to Masayoshi Ito, director of the Liberal Democratic Party [LDP] Headquarters for Political Reform, before leaving for the Houston summit in early July.

Ito would openly complain that "Kaifu does not have as deep an attachment to political reform as (his late master) Miki had." However, seeing Kaifu expressing his "enthusiasm for reform" when there is occasion, he has lately changed his view of Kaifu and now gives him a positive rating, saying: "His cabinet is bolstered by public-opinion polls. He is even saying he will stake his political life on political reform. He will handle the task after all."

Financial circles also place hopes on him and show a favorable response regarding him.

Rokuro Ishikawa, president of the Japan Chamber of Commerce and Industry, says that "we prefer that it be carried out under Kaifu's responsibility." Nikkeiren [the Japan Federation of Employers' Associations] Chairman Eiji Suzuki says that "If he does not do it, we will be in trouble, but I believe he can do it."

However, it is very hard to believe that reform will be carried out in one fell swope.

On 16 July, Chairman Kenneth Baker of the British Conservative Party gave the following advice to LDP Secretary General Ichiro Ozawa visiting London as head of a suprapartisan mission to Europe:

"The secret of Japan's success is the continuity of a political regime. It would be better to carry out reform with caution."

At a gathering for a friendly talk with a British delegation of both houses, a question was also asked as to "why the LDP is seeking to change the election system now that it is enjoying a stable majority with the medium-size electoral district system."

On the other hand, Japan Socialist Party [JSP] Policy Board Chairman Shigeru Ito says: "The LDP urges us to agree to its proposal, saying that (under the parallel combination plan) the LDP may win an overwhelming victory in the first election, but that after two or three rounds of elections, the JSP also will be able to seize power (due partly to a joining of forces among opposition parties). However, we will have to wait for 10 years if we are to go through what they call two or three rounds of elections. We actually intend to seize power in the next general election."

Opinion is thus divided concerning the reform of the election system. What then is the aim of Ozawa who has been pushing it ahead in a manner which appears even coercive at times?

He says: "Since the Meiji era, Japan has pushed ahead with industrialization and centralization. Strains created through this process are responsible for current external frictions. Domestically, we are also faced with the issues of education and local systems. In order to develop Japan into a country acceptable in international society before the arrival of the 21st century, it is necessary to thoroughly reform systems and remodel Japan in the coming 10 years. The first step in this regard is to reform the election system which decides the way Japan's politics should proceed in the future."

This scheme of his can hardly be called a mature one as he himself admits that "I am afraid the plan may look callow." As for Kaifu, on the other hand, the youth and vitality he has as a 48-year-old serve as his source of energy, with which he encourages himself and leads intraparty activities.

Political reform is strongly affected by trends and tides in the political arena.

On 10 May, prior to his press conference to appeal for the reform of the election system Prime Minister Kaifu showed his prepared memos to Ozawa at the LDP presidential room.

Kaifu said that "I intend to use the expression 'with firm resolution.'" In response, Ozawa said that "it will not fully transmit your determination to carry out the reform task." Kaifu finally asked, "Then, how about stating that I will stake the life of my cabinet on it?"

Kaifu wants to serve out his term of office until fall of next year. The largest Takeshita faction, to which Ozawa belongs, has no particular candidate to put up for the "post-Kaifu" era. The above conversation thus represented a moment at which a bargain was struck between the two sides over prolongation of a cabinet's life and a faction's reform bid.

Democratic Socialist Party [DSP] Chairman Keigo Ouchi tried to read the thoughts of influential LDP leaders when he made courtesy calls on them following his inauguration as the party chairman. After the calls, he made the following comments: "I asked if they intended to allow Kaifu to handle both the election system issue and the Japanese-Soviet question, but the (influential leaders') answer was no. However, they appeared to be at a loss as they could not find a way to bring (Kaifu) down."

It is unlikely that Ozawa is ignorant of this notion within the party as revealed in Ouchi's comments. The reform of the election system, which controls the fate of dietmen, is a double-edged sword that can be useful, on one hand, but also dangerous, on the other.

At a secret meeting with former Finance Minister Kiichi Miyazawa in May, Ozawa explained future steps to be taken. He said:

"When finalized, the LDP plan will be presented to the ordinary Diet session next year. The debate on it may continue into the later extraordinary session in the fall."

This is a long journey. However, the first step is about to be taken toward political reform.

The Cabinet Support Rate

Support	60.0%
Nonsupport	22.8%

Source: YOMIURI July Poll

[28 Jul 90 p 1]

[Text] The current argument for election system reform, the third attempt under an LDP administration after those in the Hatoyama and Tanaka cabinet eras, is assuming a complicated aspect with the ideal of political reform mingled with apprehensions of various parties and dietmen over their interests, and further becoming entwined with political bargainings.

The following are remarks made between DSP Chairman Keigo Ouchi and LDP Secretary General Ichiro Ozawa at their secret meeting toward the end of last month. Ouchi first asked, "Why did you let the cabinet stake its life on infeasible election system reform?" In response, Ozawa explained: "It is the prime minister's intention. It is not disadvantageous for Kaifu to stake the fate of his cabinet on election system reform. In addition, if the ratio of small electoral districts to proportional representation is set at 5 to 5 (the Election System Investigation Council in its report proposes a ratio of 6 to 4), there is a possibility that the JSP will accept our proposal." Ouchi said: "It is wishful thinking. What is now important to the JSP is not to join hands with the LDP, but to regain the support of the Komeito and the DSP which distanced themselves from the JSP as a result of a breakdown in negotiations on the seizure of political power."

Opposition parties are unanimously opposed to the adoption of the parallel combination plan, an option for combining the small-constituency system and the proportional-representation system. Of them, the DSP has a particularly strong sense of crisis in view of its crushing defeat in the previous House of Representatives election. The purpose of Ouchi's meeting with Ozawa was to get a clear view regarding the future of this issue.

Public attention is now accorded to moves of the JSP, the largest opposition party, in this regard. On 13 July, the party's Election System Policy Committee Chairman Kanju Sato finalized and published his private plan announcing that the West German-type dual application [heiyo] plan, in which the small- constituency and proportional-representation systems are dually applied, is the most appropriate formula.

As a matter of fact, before this private plan was announced JSP Deputy Secretary General Sadao Yamabana (also director of the party's Executive Bureau for the Project to Promote Political Reform), who is close to the party's Chairwoman Takako Doi, asked Sato to delay his announcement, saying: "It seems a little early to publish the plan at this point. If both the parallel combination and the dual application plans are presented, the latter will be killed in the Diet since it is feared that this plan will give rise to extra parliamentary seats [beyond a fixed total number of seats in the legislature], thereby leaving only the [LDP-proposed] parallel combination plan. This may open the way for our involvement in the LDP-initiated arguments." This conflict of views between two persons in charge of election system reform symbolizes the party's disruption over this issue. A similar conflict of views is also arising in the Komeito in which Secretary General Yuichi Ichikawa is an advocate for the dual application of the small-constituency system and the proportional-representation system.

Both the Komeito and the DSP are also cautious about an LDP-JSP initiative as was seen wnen the proportional-representation system was introduced into the House of Councillors.

The Komeito's Special Committee on Political Reform Chairman Kazuo Fushiki says in this connection: "Some quarters in Rengo and the JSP may have the idea that 'if the occasion demands, we should accept even the parallel combination plan and, with this plan, work toward the two-party system.' However, at such a time, how will things turn out if our party forms a coalition government with the LDP? The JSP will then be left out."

The DSP's Ouchi once asked JSP Secretary General Tsuruo Yamaguchi, "Are you sure that the JSP will never accept the parallel combination plan?" Yamaguchi instantly replied: "The number of our seats will be reduced to 70 if the parallel combination plan is adopted. We will never accept it."

Aside from such a resistance from the opposition camp, the primary hurdles in realizing election system reform lie in the LDP's intraparty adjustments. The party's Political Reform Headquarters (director: Masayoshi Ito) plans to prepare a candidate selection standard which seeks to give priority to assigning young members to small electoral districts and "ensure" their elections, while veteran and leading members must stand for election in the proportional-representation districts. By using the preparation of this standard as a leverage, it intends to allay intraparty opposition.

However, chairman of the largest faction, the Takeshita faction, Shin Kanemaru has recently confided to his associates that "I do not believe that a political reform bill will be completed." At a tripartite meeting he had

with JSP Vice Chairman Makoto Tanabe and DSP's Ouchi toward the end of last month, he also expressed the view that reform of the election system is not easy. Former LDP Secretary General Shintaro Abe, who has many young dietmen wise about election system reform within his faction, also reportedly said: "It may be impossible to reach final arrangements within the LDP. In that case, various political changes are expected to take place." By saying this, he expressed the view that such a development could lead to political changes over the post-Kaifu issue.

There are large gaps between the LDP and opposition parties and also discordance within the LDP over election system reform. Nevertheless, it is true that public opinion concerning "politics" is now different from that in the previous two times when election system reform was discussed. Chairman of the LDP Research Commission on the Election System Tsutomu Hata, nourishing a hope, says: "Things may proceed unexpectedly well if mutual plans are discussed at the Diet."

No. of Seats Estimated Under Parallel-Combination Formula

	1990 HR Election	1989 HC Election
LDP	390	123
Opposition	111	378

Estimated by YOMIURI SHIMBUN; HR: House of Representatives; HC: House of Councillors

[29 Jul 90 p 1]

[Text] "We cannot get through this summer." This may sound like a cry of complaint of suffocating sultry heat. However, this voice, raised by each political faction, is calling for a solution to its "want-of-money malady" (so named by Keidanren [Federation of Economic Organizations] Secretary General Masaya Miyoshi) and is reaching leaders of the financial world.

A faction's leader will lose his face if he cannot hand his men the *Bon* festival allowance and the rice-cake making fee, which may be called a kind of bonus for politicians during the *Bon* festival and also at the year's end.

Anguish was unexpectedly serious for influential party leaders because they could no longer use their one-time "alchemy" as a result of the Recruit scandal. Aware of this atmosphere, LDP Secretary General Ichiro Ozawa immediately called in secretaries general of respective factions and handed funds secretly from the party treasury. Probably using the funds as the main source of allowances, on 20 June the Watanabe faction distributed Y2 million to members with no experience in a cabinet post. Almost simultaneously, other factions also distributed the *Bon* allowance. Separately from these allowances by factions, on 21 July the LDP handed a total of Y780 million—Y3 million for each—to 260 members (175 members of the House of Representatives and 85 members of the House of Councillors) who are not cabinet members or have no experience in a cabinet post. The political bosses' situation where they were short of funds originally stemmed from the Recruit scandal. This situation further deteriorated when the LDP, which was in a predicament from a crushing defeat in the House of Councillors election, coercively asked the financial world to increase political donations in order to win the general election in February of this year.

Fiery words were exchanged between Ozawa and Keidanren Chairman Eishiro Saito.

Ozawa: "The situation is indeed serious, and we would like to have your cooperation."

Saito: "You are talking about political funds, are you not?"

Ozawa: "Please oblige us with your favor."

The conversation, however, began to get complicated when Ozawa asked for contributions amounting to Y27 billion, saying "we would like to have them (political funds) donated by automobile and communication enterprises which are making good money." Stunned by the huge amount requested, Saito doggedly adhered to the conventional "Hanamura formula" (a formula devised by Keidanren Counselor Nihachiro Hanamura) under which funds are collected primarily from key industries. The negotiation was finally broken off. Ozawa notified that "then we will seek direct donations" and asked each industry to make direct donations to the party. Through payment guarantee by each industry, the party received loans amounting to Y15 billion from city banking institutions and poured the amount into the general election.

From this amount, Ozawa also distributed election funds to respective factions. He did so because each enterprise naturally showed opposition to donating to each particular faction and individual. The unified collection of money by the central party authorities was not seen before and marked a change. Power will concentrate more than before on Ozawa who holds the post of secretary general. Concerning each faction's discontent with this development, financial circles think that "it cannot be helped as it is a transitional phenomenon (on the way toward political reform)." (Nikkeiren Chairman Eiji Suzuki) The trouble with the Keidanren has ended with reconciliation, thanks to the LDP's victory in the general election. It seems that the Keidanren, too, has begun to appreciate the merit of unifying the collecting point for political funds.

At a social gathering between leaders of five major financial organizations and LDP Political Reform Headquarters personnel on 19 June and the financial leaders' later meeting with Ozawa, Saito asked for self-restraint on the holding of various parties, saying that "if you voluntarily restrain from the throwing of parties, we are ready to increase donations to your party because we can funnel the portion saved to that end." Ozawa accepted this request and, as a result, the "Society Thinking of the 21st Century" plan under study by the Takeshita faction

as a secret scheme for the collection of political funds was killed by Ozawa's intention. It is said that in return the financial circles are now studying a plan to donate Y12 billion annually and further add about Y3 billion to this amount.

Meanwhile, the LDP plans to increase its annual income by Y1 billion by making a list of 6,000 firms which are not associated with the Keidanren. The Election System Investigation Council in its first report spelled out a set of measures: it called for the introduction of a small-constituency system and, together with this, recommended that "in the category of organizational contributions, each enterprise or labor union unify its donations by contributing money only to a party as a whole." It may be said that, although by chance, in the monetary area the actual arrangements have been proceeding faster than scheduled. On the other hand, if the small-constituency system—under which a party-centered election campaign is expected—is introduced, the burden for each individual candidate will be lessened, but each party's expenditure will jump up. "Required annual funds for the LDP are about Y40 billion," according to an estimate (by a person in charge of the party's accounts). The connection between politics and money will not end.

LDP Political Funds (at the Party Center)

1986	Y20.5 billion
1987	Y14.9 billion
1988	Y22.2 billion

[30 Jul 90 p 1]

[Text] After the LDP suffered a heavy defeat and failed to obtain a simple majority in the House of Councillors election last year, alliance and coalition arguments erupted seeking to eliminate a strained situation caused by operational inconsistencies between the House of Representatives and the House of Councillors. The arguments, however, appear to have subsided rapidly since the House of Representatives election in February. To be sure, former Deputy Prime Minister Shin Kanemaru's call for a "cabinet supported by the whole nation" through a grand conservative-reformist alliance and also former Prime Minister Noboru Takeshita's plan for a partial alliance (separate policy accords) now do not have as great an impact as they did at one time.

This may be attributed to the reduced sense of crisis on the part of the government and the LDP because the LDP firmly secured a stable majority in the House of Representatives and the opposition parties' talks on a united government broke down and, in addition, the opposition camp made a realistic approach, surpassing the LDP's expectations, in the discussion of bills at the special Diet session. However, all this is what we observe from external developments. Brewing beneath the political world is a growing move toward "building a new framework which can readily cope with drastic changes in domestic and foreign situations," (LDP Secretary General Ichiro Ozawa).

On 7 July, a JSP member of the House of Councillors elected from Ibaraki Prefecture held a report meeting in Mito City to express his views on the affairs of state. JSP Vice Chairman Makoto Tanabe and SDF [Social Democratic Federation] Representative Satsuki Eda, who were both invited to this meeting, lunched together at a restaurant in the city and had an open discussion between them with no one else present.

Speaking persuasively in a heated tone, Eda said: "Mr. Tanabe, you said at a Japan Postal Workers' Union convention (4 July) that 'we will unite socialist and democratic forces by the next national-level general election.' However, the unity of forces should be achieved by next spring's unified local elections. If opposition parties step into unified local elections in a state of disruption as they are in now, things would turn out just as the LDP wished." After taking in a few breaths, Tanabe said: "Yes, you are exactly right. Let us work out some good ideas."

The two set the merger of the three parties—JSP, DSP, and SDF—as the immediate goal and plan to reorganize the political world by absorbing part of the conservative force in the future. The two agree with each other on this point. When they were about to end their meals, they had already worked out "something confidential that resembled outlines of procedures for operational planning and supervision" (Eda) and described among others, maneuvers toward each party. On this basis, contacts with key members of the DSP and other parties immediately began.

Whenever the occasion arises, Ozawa says that "(because of the strain resulting from operational inconsistencies between the House of Representatives and the House of Councillors,) Japan's politics will unfailingly come to a deadlock in the near future although we do not face a large obstacle at present." This is why the LDP has tenaciously been continuing to cast an amorous glance at the Komeito, the DSP, and other middle-of-the-road mini- parties.

On the other hand, the LDP is hurriedly working to introduce a formula called the parallel-combination option which combines the small-constituency and proportional-representation systems, shouting the catch phrase, "A formula enabling a shift of political power." The call for the reform of the House of Representatives election system pillared by this formula is none other than a reorganization move toward a "two-party system." In the eyes of opposition parties, the reform will "eventually lead to obliteration of minority parties."

Eda, who regards himself as "a healer in the political world," and his group have begun to further beef up their activities. This is because they are alarmed by the sight of the Komeito and the DSP beginning to turn toward the LDP as they sense the reform about to come. Eda and

his group increasingly fear that opposition parties "will be drawn into the LDP's initiative if they stand idle with their arms folded."

DSP Chairman Keigo Ouchi says that "if election system reform is enforced this time, we will be compelled to reorganize the political world." He even says definitely: "Almost all LDP leaders and influential members except Mr. Kaifu are oriented toward coalition. If they really mean business, they should seek coalition; anything other than coalition is not economic and is a half measure."

"We are not drawing up a new DSP platform. We are preparing a platform for a new political force."

This is what Ouchi instructed when the party's secretariat began working to revise the party platform in May. In these remarks, people responsible for the work sensed Ouchi's strong desire for a tie-up with other parties for the survival of his party.

Takeshita, who has extensive channels of communication within the opposition camp predicts: "When we consider reorganizing the political world in a real sense, we will be faced with the question of the election system. I feel that it is not proper to reform the election system and reorganize the political world at the same time. Rather, reform should come first and then reorganization follow."

For opposition parties, particularly for Komeito and the DSP, the consumption tax issue has now become "an old coat which we would like to throw off quickly to have a free hand." The issue will finally be settled this fall if things go smoothly. Then, the next largest domestic theme between ruling and opposition parties will be the reform of the election system. It is amply expected that a drama of alliances and leagues will be played on the open stage in the political world.

LDP and Opposition Strengths in the House of Councillors

LDP	109
Opposition	141

as of July; Chairman excluded; 1 vacancy

[31 Jul 90 p 1]

[Text] 28 May: Leaving Narita in the evening; 29 May: Arriving in Brussels in the morning; Arriving in Paris in the evening; 30 May: Leaving Paris in the evening; 31 May: Arriving in Narita in the afternoon.

A night's lodging: two times in the plane and one time at a hotel. This was the foreign minister's travel schedule for the attendance at meetings of the "Japan and the European Community (EC) Ministerial Conference" and the "Council of Ministers of the Organization for Economic Cooperation and Development (OECD)." Taking a look at the schedule, Foreign Minister Taro Nakayama angrily shouted, "This is impossible."

The same tight schedule was forced on International Trade and Industry Minister Kabun Muto and, as a result, he could not deliver a planned speech. After returning home, he complained bitterly that "such a schedule is rude to the host countries and raises suspicion about Japan's position."

Seeing this quick tumbling-in and tumbling-out performance, a suspicious voice was raised among participating nations asking, "For what purpose have Japanese ministers come?"

At that time, the Diet was in the midst of the deliberation of the proposed fiscal 1990 budget at its House of Councillors Budget Committee, where ministers are usually tied down all day to answer questions.

When making an official visit during the opening of the Diet, a minister is required to get permission from both the speaker of the House of Representatives and the president of the House of Councillors in compliance with rules of the two houses of the Diet. Particularly, it is necessary to get the consent of opposition parties in accordance with established practice.

Past midnight on 24 February, Prime Minister Toshiki Kaifu, who was then staying at a hotel in Tokyo, suddenly received a telephone call from U.S. President George Bush. Irritated by little progress in the Japanese-U.S. Structural Impediments Initiative [SII] talks, Bush asked for a political resolution and pressed for Kaifu's prompt visit to the United States.

Kaifu: "With a Diet policy speech (2 March) and interpellations by various party representatives (5, 6, and 7 March) just ahead, I am afraid I cannot arrange for it."

Bush: "That would fit in all right because there is a time differential. I will be waiting at Palm Springs on the West Coast."

Kaifu: "If you put it that way, I will come. However, as this is quite unprecedented I think I have to get the consent of ruling and opposition parties; otherwise...."

This is how the schedule of a Japanese-U.S. summit meeting (3 and 4 March), conducted through the weekend, was decided.

It is always the Foreign Ministry's job to prepare for a prime minister's overseas trip. Bush made the call directly, bypassing the Foreign Ministry. It was a tete-a-tete conversation although a U.S. State Department official interpreted between them. Kaifu could not but succumb to an insistent Bush in the face of this gravity.

It is said that behind this action by Bush was a word of advice from U.S. Ambassador to Japan Michael Armacost who was fully aware of Japan's domestic situation. It may be said that Bush set aside established practice in the Diet, using the 17-hour time differential between Japan and the United States.

Now that summit diplomacy has become a common practice, such cases as the "Kaifu-Bush telephone talks" will, for certain increase in number in the future. It can hardly be said that the Diet is fully prepared to cope with this era of internationalization.

Even though the government draws up well-timed plans for overseas trips by ministers, in many cases the plans are changed into tight schedules or cancelled when the Diet is in session. The Foreign Ministry's European and Oceanic Affairs Bureau Director Nagao Hyodo, who has worked hard for adjustments and behind-the-scenes arrangements with the Diet over the past two years, says appealingly that "The parliamentary vice minister for foreign affairs should be used more fully as acting foreign minister."

Diet reform has been a long-standing, but always new theme.

The "House of Representatives Diet System Council" was established in March 1966 during the Sato administration. At a meeting in this council on 28 June of this year, all ruling and opposition parties presented their following respective plans for reform.

LDP: Reconsideration of the requirement that all ministers be present at Budget Committee meetings; and convocation of the regular Diet session in January

JSP: Strengthening of investigative and legislative systems through staff and budget consolidation

Komeito: Furtherance of the freedom of information system and establishment of the Diet Information Center

Japan Communist Party: Consolidation and Strengthening of the right to conduct investigations in relation to the government

DSP: Introduction of a push-button voting system

These are the major features in the proposed plans by each party, and we will see nothing new. There are many "prescriptions," but what we really need is "action." A poem composed by the late Yukio Ozaki (elected 25 times; served for 60 years and 7 months), revered as the "God of Constitutionalism," is preserved in the Parliamentary Museum. We are now going to observe the 100th anniversary of the establishment of the Diet, and it will be meaningful to introduce the poem here on this occasion:

I wonder when it will be when we can have dietmen befitting this fine Diet building

Dietmen's Incomes (Monthly Allotment)	
Pay	Y1,125,000
Documents,communications, and traffic fees	Y750,000
Legislation work fees	Y650,000
(Paid to each faction)	

[1 Aug 90 p 1]

[Text] On the evening of 24 July, Secretary General Ichiro Ozawa, who returned home only on the previous day from a visit to Europe, was reading evening papers just delivered in his office on the fourth floor of the LDP Headquarters in Nagatacho, Tokyo.

A few moments later, he muttered to himself:

"Ah, I am finally left alone."

On the morning of that day, a meeting was held between the chairman and vice chairman of the LDP's Policy Affairs Research Council. At the meeting, touching on the rice import liberalization issue the council's Chairman Mutsuki Kato said that "depending on developments overseas, the government and the ruling party may face the need for various studies." Evening newspapers were carrying this report under the headline, "Opposition to Liberalization May Be Reviewed."

Despite the party's policy of blocking liberalization under the call for "complete self-supply," influential party members—first former Prime Minister Noboru Takeshita and then Toshio Yamaguchi, chairman of the party's Special Research Commission on Economic Adjustment, and former Deputy Prime Minister Kiichi Miyazawa—have begun to argue, one after another, for the theories "Liberalization Is Inevitable" and "Accept Liberalization." It is no wonder that Ozawa expressed his "sense of isolation."

Such utterances used to be denounced fiercely in the past. Actually, on 18 July Mr. Takashi Hasegawa, chairman of the party's Miyagi Prefectural Federation and also chairman of the party's Council of Dietmen for Rural Development, proposed to the party's Executive Council Chairman Nishioka that Toshio Yamaguchi, who spoke of "5 percent partial liberalization," retract his statement and disciplinary action be taken against him. However, Nishioka did not bring up the issue at an Executive Council meeting. It is said that this was because he feared that should he bring up the issue, "disputes may spread to silent members within the party and bring about two completely divided positions, one

arguing for obstructing liberalization and the other calling for its acceptance."

Pushing the "Food Security Doctrine" to the fore, former Agriculture, Forestry and Fisheries Minister Tsutomu Hata says: "When we were in the midst of negotiations at the Uruguay Round (new multilateral trade negotiations), bringing the 'food security doctrine' to the fore, some people were arguing for liberalization at home. Such an act comes from ignorance of what negotiations are." There is also what is called the attitude theory which says that "even if liberalization is realized eventually, we need to show farmers how hard we are working to block it," (a dietman dealing with agricultural affairs). In addition, measures to prepare for elections are being affected by the fear of strong opposition from agricultural organizations.

On 2 August, the LDP's agriculture- and forestry-related divisions and commissions are to meet hurriedly to reaffirm "opposition to liberalization." In fact, an outright argument for rice import liberalization is still regarded as a taboo within the party. However, in this summer recess these dietmen are now taking the trouble to open these meetings for arguments. This may indicate the party's changing attitude in coping with this issue.

Needless to say, behind this change is the "pressure from the outside," that is, the request leveled by the United States for the opening of the rice market. At the same time, however, we should be aware that only 14 percent of households are full-time farming households and of these 70 percent are the second-category non-exclusive farming households whose principal incomes come from other than agriculture (statistics as of January this year). We should not overlook the fact that most farmers already have two faces, one as a producer and the other as a wage earner (consumer) and that there are, accordingly, changes in political consciousness and voting behavior.

Keio University Assistant Professor Yoshiaki Kobayashi (political science) analyzes structural features of support to each party in a systematic way on the basis of opinion surveys and other data, and at the same time tours various areas of our country whenever national elections are held. He says that he notes a great shift in the support to the LDP and related voting behavior.

That is, according to him, despite the LDP's great victory in the House of Representatives election in February of this year the election did not necessarily mark a return of the farmers' ballots to the LDP and that the LDP has thus strived with success to penetrate into the urban salaried classes, not the farming population with dwindling votes, thereby shifting its support basis.

In addition a scene that reflects a decline in the farming population's number of votes for the LDP was also seen when negotiations were held between the government and the leading LDP members in early July concerning the range of reduction in the producer's rice price. We could see only a scattering of dietmen who were coming into the LDP headquarters. It was noticed that even those from rice granaries had their secretaries "attend by proxy."

More than one and one-half months have passed since the Komeito set forth the "partial liberalization acceptance" policy. The "Liberalization Is Inevitable" theory and an argument for reconsideration of an anti-liberalization Diet resolution have begun to appear in other opposition parties as well despite their "complete self-supply" principle. Political dynamics surrounding rice within the ruling party is undergoing a crustal movement—a shift in the supporting strata.

Rice Import

Support for Complete liberalization	14%
Support for Partial liberalization	57%
Opposition to Liberalization	23%

Source: YOMIURI poll in May

[2 Aug 90 p 1]

[Text] The sweltering heat continued through the day on 18 July. In a large hall of a hotel near JR [Japan Railway Co.] Nippori Station located some distance from the heart of the city, a man was posing as a model on the platform before about 500 ladies. One would have thought that this was a fashion show if there had not been a signboard on which was written in large letters, "The DSP Women's Forum."

The man who volunteered for the role of a model was DSP Chairman Keigo Ouchi. Because he himself was the sponsor of this new scheme, he was all the more serious about the event.

This idea originated at the chairman's room in the DSP headquarters building located at Toranomon, Tokyo on 10 May.

Ouchi told those gathered: "I want you all to work out a scheme which is appealing to the public as soon as possible. The party's revival depends on this scheme. Of course, I will spare whatever money is necessary."

Vice Chairwoman Eiko Nukiyama, Women's Bureau Director Naoko Oishi, and other staffers handling measures for women racked their brains to comply with Ouchi's wishes.

Among ideas put forward were "floating a ship on Tokyo Bay," "a debate meeting between parents and children," and "a cooking class attended by both men and women."

After studying various ideas, they finally decided to adopt a forum series which contain, as their central feature, a panel discussion on educational issues—a field in which women are most interested—and an improvised fashion show. This is how the first of the series was held. Its attendance fee was Y1,000. Of the total required expenditure amounting to Y1.5 million, the deficit was

expected to reach Y1 million, and money was instantly disbursed with the approval of the chairman to cover it.

A party official says: "We would like to put up as many women candidates as possible in the unified local elections next spring. To this end, we want to expand the support of the female population."

At its April convention, the party began revamping its organization, and the Women's Bureau was newly established. Oishi, who actually served five times in the Kanagawa Prefectural Assembly, was installed as the first director of the bureau. A teacher originally, she challenged for a seat in the House of Councillors election last year and the general election in February, but suffered a defeat in both elections. She has continued her political activities and is the kind of woman who knows much of the bitterness of life.

This is why she does not like the phrase "madonna boom" once in fashion, although she admits the need for women's greater participation.

She says: "I can go any place I like because I am single. However, if I had a husband and children, I would think twice before running in elections. I think that what is called a madonna boom is, in fact, a result of Doi's (JSP chairwoman) popularity." In the word "madonna," she may be feeling men's view of women as "a means to obtain a targeted number" of seats, and behind the "boom" she may be seeing a virtual image.

Whatever she may feel or see, the sweeping advance of women candidates in the House of Councillors election last year was indeed spectacular. In the year since, Has it "only made the floor of the Diet colorful" (a male LDP member of the House of Councillors) or has it really changed things?

"It has now become difficult to carry out party-to-party compromising politics. In the past, once a matter was entrusted to a committee chairman, that meant business was concluded. However, nowadays, things do not end with this process. Even when we feel that it is high time to settle a thing, those ladies do not sheathe their swords easily. If those ladies become key board members (at each committee), the situation will change even more."

Testifying to signs of change, Tetsu Noda, who had served as chairman of the JSP's House of Councillors Diet Administration Committee until the previous special Diet session, made the above remarks.

Noda and other executive members were denounced by dietwomen at a meeting of the "89 Society," an organization of first-year JSP members of the House of Councillors, held in Atami City, Shizuoka Prefecture on 21 March of this year.

Yasuko Takemura, who has shifted her membership from the House of Representatives to the House of Councillors, vented her complaints: "It is an annoying practice to press us to accept the results after you have decided (whether to support a bill or not) without consulting us."

Later, leading JSP members of the House of Councillors decided to spend time to explain why a bill will be supported or rejected by using a meeting of the General Assembly of the JSP Members of the House of Councillors, a gathering held prior to a plenary session of the House.

Some say that "Women's strength is still far too small in the Diet" (Sumiko Takahara, the first woman cabinet member who formerly served as director general of the Economic Planning Agency) and that "Women will probably begin to feel keenly their powerlessness," (Mayumi Moriyama, former chief cabinet secretary, the first woman serving in the post).

The political world is called a men's club. However, it is now being pressed into change and reform, little by little, partly through various "strategies for women" used by each party. I wonder if those dietwomen have also begun traversing the road toward "de-madonna."

The Rates of Dietwomen and Assemblywomen

House of Representatives	2.3%
House of Councillors	13.1%
To, Do, Fu, and Prefectures	2.6%
Cities, Towns, and Villages	2.3%

[4 Aug 90 p 1]

[Text] At a 13 June meeting of the House of Representatives Special Committee on Traffic Safety, the following words were passed between the JSP's Takanobu Nagai and Commissioner General for the National Police Agency Akio Kanezawa over a proposed amendment to the law on securing automobiles' parking areas (garage bill):

Nagai: This bill is said to be watered down from the first one. Is it not the result of a consensus with business circles rather than a consensus with the people?

Kanezawa: "There were many opinions, and this bill is the outcome of a study from the angle of feasibility.

Nagai: "Did interest groups not apply pressure for their profit-making, fearing that they may suffer if such a bill is prepared? In a sense, is this not similar to the Recruit case?

Kanezawa: "Our action should not be, and naturally has not been, affected by pressure or influence."

Concerning the garage bill, its draft was published by the National Police Agency on 9 April with the aim of sweeping away illegal parking, a major cause of traffic accidents and traffic snarls. The measure was approved at a cabinet meeting on 1 June. It was submitted to the previous special Diet session and passed on 26 June. The

initial draft was a rigid one, making it obligatory to obtain a police chief's garage confirmation sticker, and providing for a ban on operation for vehicles which fail to carry such a sticker. The law enacted provides for a notification system which only requires a garage confirmation in writing. In the law, not only the penal provisions against a failure to carry a sticker have disappeared, but also applicable areas have been limited to 23 Tokyo wards and Osaka City for the time being. It has thus been diluted in substance. It was alleged that during the period between the draft announcement and the cabinet approval, the bill was emasculated by pressure from the so-called "zoku-Dietmen" [zoku—a group of Diet members who exercise in a particular field policy-making expertise and contacts generally acquired through service as chairman or vice chairman of the appropriate party policy deliberation committee] such as those belonging to the LDP's Automobile Dietmen's League.

The chairman of the league, Gentaro Nakajima, stresses: "I simply expressed my view from a user's position. Most of the people have cars, and this is not an era when we can speak only for business circles." The National Police Agency's Traffic Planning Division Chief Satoshi Kaku also denies this allegation, ostensibly, saying that "I do not think we were put under pressure."

Zoku-dietmen are those lawmakers who exercise influence on policy making. They have expertise, and most of them belong to the LDP Policy Affairs Research Council's various divisions. Some opposition party dietmen who have long served as members of various Diet committees also can be placed in this category. The boss of the construction zoku is former Deputy Prime Minister Shin Kanemaru. What is called "the three new branch families" of the society and labor zoku are said to be Finance Minister Ryutaro Hashimoto, former Health and Welfare Minister Juro Saito (House of Councillors), and also former Health and Welfare Minister Junichiro Koizumi.

They also have strong ties with business circles and organizations concerned because they have a great deal of influence on budget compilations and appropriations. There is criticism that "they work to acquire budgetary allotments, provide undertakings, act as an intermediary for businessmen concerned, and receive political donations amounting to 2 or 3 percent of the total sum of a project, and their connections with businesses thus represent structural adhesion," (JSP Policy Board Chairman Shigeru Ito). However, it cannot be said that opposition parties have no bearing at all.

Refuting this criticism, LDP Social Affairs Division Chairman Takujiro Hamada says: "If we do not know the needs of business circles and organizations concerned, we cannot handle things with government offices. We are connected with the business world on behalf of the people. It is unbearable that the connections are seen as too close or a means to derive profits." The LDP set up a standard for the selection of executive members in November 1987. According to the standard, each Policy Affairs Research Council division chief serves one 1-year term in principle, and in special cases the service can be extended to two terms, that is, 2 years, but no more than that. Through this standard, "personnel changes have been made on a frequent basis so that there will be no ill effects from zoku dietmen," (LDP Policy Affairs Research Council Acting Chairman Michio Ochi).

However, as was revealed by Ryuzo Sejima, who was acting chairman of the Provisional Council for the Promotion of Administrative Reform (New Administrative Reform Council), the structure which has produced zoku dietmen's close relations with businesses and their suspicious acts have not been eliminated. Seshima said: "The New Administrative Reform Council intended to redress distribution of public undertakings, but it could not do it because of zoku dietmen's resistance."

To compile the fiscal 1991 budget, ministries and agencies are asked to submit their respective budget requests by the end of August. With the approach of this deadline, zoku dietmen are now battling within the LDP to get more budgetary allotments. In order to eliminate collusion between zoku dietmen and the business world, some say that "there is no other way but to disband the LDP," (Masayoshi Ito), while others maintain that "we should rely on each politician's ethical stand," (Takujiro Hamada). Which would be right? A clear answer must be given to this question.

Budget General Expenditure Amounts	
1989	Y34.0805 trillion
1990	Y35.3731 trillion
1991	36.94 trillion
1991 figure (acc. to budget requests)	

[5 Aug 90 p 1]

[Text] The following is the content of an "internal letter of indictment": "It is requested that the party's executive authorities make political decisions, including Constitutional judgements, by the time the bill is submitted this fall."

This document, which was thrust to the party's executive authorities including JSP Chairwoman Takako Doi as frighteningly as an edged point directed at their throats, was issued from the party's General Affairs Bureau. The bill in question is a "proposed freedom of information act" which the JSP has been working on drafting since the end of last year with the Komeito, the DSP, the SDF, Rengo, and various party factions in the House of Councillors. While drafting this bill with utmost secrecy, participating parties have already agreed that "matters related to information on our country's defense and diplomacy, if they harm important national interests

when opened to the public, may not be disclosed on the judgment of the head of an administrative organ."

However, as the formulation work has progressed, there has arisen a bottleneck. It is the "Self-Defense Forces [SDF] unconstitutionality theory," a basic policy of the JSP.

In May 1978, with regard to a Foreign Ministry secret leakage incident the Supreme Court ruled to the effect that "secrecy of a matter which is illegal and runs against Constitutional order" does not essentially deserve protection. In case the JSP, while continuing to uphold the SDF unconstitutionality theory, becomes the "government party" and is placed in the position to interpret and enforce laws, it will logically have to disclose to the public the Defense Agency and SDF information because it is illegal to keep it secret. This question has been raised out of the concern that it might lead to a halt to the functioning of the defense work.

This is why the internal document pressed the party's executive authorities to make resolute decisions, saying that "it is impossible to present a responsible freedom of information bill as long as our party does not take the position that the SDF is constitutional in a limited and conditional way."

It has thus been exposed as a matter of reality that the JSP is so sticky about "SDF unconstitutionality" that it is unable to formulate even a bill easily. As a "public pledge" since the House of Councillors election last year, the party has put the bill on the list of its important tasks for political reform. Moreover, with a coalition government of opposition parties in mind, the party has expected the bill to provide a chance to display its policy-formulating capability.

The problems which the JSP has to overcome in changing itself in order to become a government party are not limited to its own particular policies. Vice Chairman Makoto Tanabe is sunk in thought, thinking ahead to the approach of 15 August this year. Tanabe made the following remarks at a study meeting of the "Wednesday Club," the party's largest faction, held in Sasayamacho, Hyogo Prefecture on 24 June:

"When attending a memorial service for the dead, people salute the 'Rising-Sun' flag. I also bow to it with them. After that, the '*Kimigayo*' national anthem is sung. There are many views and thoughts about '*Kimigayo*.' Nevertheless, all the attendants sing the song, while I alone stand mum."

He continued: "However, I wonder if the question has really been solved by simply keeping my mouth shut. I think that we must carry out a campaign to make a national anthem which is a people's song, which all can sing in a dignified manner."

However, the issue thus raised is reflected in the eyes of the JSP as "a problem as difficult as a differential and integral calculus question" (a leading party member)—a question more difficult than the public has expected it to be for the JSP. Secretary General Yamaguchi's recent "acceptance of security arrangements" statement on the occasion of the 30th anniversary of the revision of the Japanese-U.S. Security Treaty faced intraparty opposition with the criticism that "it represents the conventional method of attempting a policy turnaround, little-by-little," (the party's secretariat).

As is represented by the following remarks of Vice Chairman Wataru Kubo, a voice has also begun to rise, urging reconsideration of the SDF unconstitutionality theory: "Under a JSP government, it will be hard to recognize things that are unconstitutional. It would be better not to stress that what has already become a reality through 40 years (SDF) is unconstitutional."

Kubo frequently quotes the following remarks of Neil Kinnock, the leader of the British Labor Party: "It is important for a party to pursue its ideals, but it is more important to seize power in order to move one step closer to the ideals." For the JSP, a real tenacity of purpose for the seizure of power appears to be the key to breaking down its wall.

JSP Membership as of July

Party members	80,000
Associate members	47,000
Total	127,000

[7 Aug 90 p 1]

[Text] "Japan is a giant country. In the political field as well, we would like Japan to courageously display its leadership commensurate with its economic power."

Geoffrey Palmer spoke to Toshiki Kaifu at a meeting of Japanese and New Zealand prime ministers held at the Akasaka State Guesthouse in Tokyo on the evening of 26 July.

"Japan would like to make an active contribution to the reorganization of the world order by using technical and economic capabilities it has accumulated on its own."

Kaifu made the above answer, choosing words prudently. Japan is looked to for its active role in international politics even by New Zealand, a distant island country in the southern hemisphere.

Concerning Japan which has now become a global power, it is said that "the world feels as much concern with what Japan is thinking and how it intends to use its power as it does with where Gorbachev's Soviet Union is going," (Vice Minister for Foreign Affairs Shoichi Kuriyama).

A U.S.-Soviet summit meeting was held in December 1987, marking the start of the collapse of the Cold War structure based on the U.S.-Soviet confrontation. Soviet President Gorbachev, who flew into Washington, gave a speech before U.S. Congressional leaders. He said:

"Japan, West Germany, and Italy, which we had defeated in the war did not spend money on military expenditures after the war. This is why they have been able to develop their economy and acquire competitive power."

He said that "let us, the United States and the Soviet Union, join hands," venting his anger at the fact that both the United States and the Soviet Union had been outdistanced by former defeated nations while they had been exhausting their domestic economy with an arms race accompanying the Cold War.

Since the late Shigeru Yoshida, who chose "majority peace" and the Japan-U.S. security system, postwar Japan has almost invariably followed the "light armament and economy-first" policy line.

The world has changed dramatically at an unprecedented speed in both political and economic fields, and Japan's orientation in international society has also changed greatly. There is a rapidly growing voice, according to opinion polls in the United STates, saying that "the threat of Japan's economic power is more serious than that of the Soviet military power."

Amid turbulent changes in the world situation, what are Nagatacho (the political world) and Kasumigaseki (government ministries and agencies) doing to cope with them?

The matters of concern among political circles in over the past year or so were the consumption tax which drove two prime ministers—Noboru Takeshita and Sosuke Uno—to resign, the Recruit incident, and the women's issue. They used up their energies in lower and upper house elections and could not afford to turn their eyes to external affairs.

In early July, a meeting was held at the Justice Ministry's Immigration Bureau on the issue of foreign workers.

Section chief A: "I took it (the post) just this spring, so I was not familiar with...."

Section chief B: "I see. Then, you had better write a letter of resignation right away."

The handling of foreign workers involves the problem of jurisdiction among various ministries and agencies such as the Immigration Bureau (Justice Ministry), the Labor Policy Bureau (Labor Ministry), and the International Cooperation Division (Foreign Ministry). Since the Labor Ministry independently set forth a plan to expand the acceptance of foreign trainees in late June and July, the ministry has taken the initiative in this field, partly as a result of its influence-buying maneuvers toward the LDP.

The meeting at the Immigration Bureau was a product of the Justice Ministry's irritation and was designed to recapture the initiative. Section chief A showed the white feather, saying that "it is still early for me to assume such a great task " and the section chief B reproached him, saying that "you had better resign if you do not have the ability to do so."

This was a typical example of vertically oriented administration in which "there is only the ministerial interest, but not the national interest."

Karel van Wolferen, a Dutch journalist, points out that "it is evident that Japan's structural system of power no longer holds good in international society."

Masaharu Gotoda, acting director of the Political Reform Headquarters, stresses: "Now that Japan's political structure has become unable to cope with a new era, it is necessary to reform its foundation—the election system itself."

The Ad Hoc Council for the Promotion of Administrative Reform (the Third Administrative Reform Council) is scheduled to be inaugurated this fall. The Management and Coordination Agency is now secretly working on a theme to be presented to this council for deliberations. The theme is "The Drastic Reorganization of Ministries and Agencies in Order To Survive in the World." Amid rapid progress under way in the building of a new order following the collapse of an international framework which has bolstered Japan's postwar peace and prosperity, Japan is pressed to carry out structural reform of its political and administrative system.

Threat for the U.S. People

Japanese economic power	75%
Soviet military power	21%

Source: May Surveys by THE WASHINGTON POST and others

Kaifu's Frail Power Despite Popularity Noted

OW1909200290 Tokyo THE DAILY YOMIURI in English 17 Sep 90 p 1—FOR OFFICIAL USE ONLY

["Political Pulse" column by Kenji Kitahara, YOMIURI SHIMBUN political editor: "Kaifu's Popularity Reflects Nothing Solid"]

[Text] Anyone studying quotations of Prime Minister Toshiki Kaifu is bound to notice that he very frequently uses two expressions—"seishin-seii" (sincerely) and "issho-kemmei" (as hard as I can).

Considering that the Kaifu Cabinet emerged from the confusion of the Recruit scandal and the Liberal Democratic Party's serious setback in the July 1989 House of Councillors election, Kaifu, as he himself claims, must have given everything he had to overcome the difficulties.

Many political analysts agree that Kaifu's sincerity is what has enabled him to survive the tumult of the election fall-out, the Japan-U.S. Structural Impediments Initiative talks and the Persian Gulf crisis.

The rate of approval for the Kaifu Cabinet is surprisingly high—62.5 percent, according to a Yomiuri Shimbun survey conducted in August. The figure is higher than that accorded any postwar Cabinet.

The previous high was the 60.5 percent achieved by the Cabinet of Kakuei Tanaka in October 1972, immediately after Japan normalized relations with China. The Cabinet of Yasuhiro Nakasone enjoyed the second-highest level of support, at 59.2 percent.

The normalization of Japan's relations with China was a diplomatic feat comparable to Prime Minister Shigeru Yoshida's conclusion of the San Francisco Peace Treaty with the Allied Powers in 1951, and to Prime Minister Nobusuke Kishi's revision of the Japan-U.S. security treaty in 1960.

Nakasone's popularity rose because of political achievements that included the promotion of administrative reform and Japan's internationalization.

Citing Kaifu's achievements, however, is very difficult to do.

He has done a smooth job of guiding the nation's political scene despite his lack of preparation and his initial selection as a stopgap prime minister. He has won the sympathy of the public with his "sincere" and "as hard as I can" attitude.

But it is doubtful that his popularity reflects his actual performance and that his politics are as good as those of his predecessors.

Kaifu has pledged to reform the nation's election and political systems, and revise the 3 percent consumption tax, but none of these tasks are progressing well.

He must also conduct extremely hard negotiations with Soviet President Mikhail Gorbachev, who is scheduled to come of Japan next April, over the return of the Soviet-held northern islands. Many wonder if Kaifu can deal with this difficult job.

The problem is his lack of presence. [sentence as published] We have not seen Kaifu display strong leadership when he government and the LDP work to iron out differences.

One critic has said the Kaifu Cabinet appears stable probably because of his support by U.S. President George Bush and former deputy prime minister, Shin Kanemaru, who leads the largest LDP faction, formerly headed by former Prime Minister Noboru Takeshita.

At any rate, we would like Kaifu to do something important. In these times of international and domestic upheaval, merely impressing the public with a clean image to divert attention away from scandal is no longer meaningful. A high approval rating alone is not enough.

LDP Leaders Not Surprised by Membership Drop

OW1709044590 Tokyo THE JAPAN TIMES in English 16 Sep 90 p 2—FOR OFFICIAL USE ONLY

[Text] The Liberal-Democratic Party [LDP] said Saturday it now has 2.2 million members—less than half of its record 5 million registered in 1988—but party leaders showed little surprise at the sharp decline. The bulge in 1988 is attributable to massive nationwide campaigns to solicit new members in preparation for the July 1989 House of Councillors election, they said. LDP candidates preparing for the Upper House election waged heated competition to lure as many new members as possible. The more names they brought in, the higher they were placed on the party roster, improving their chance of winning office under the proportional representation system. Only about 248,000 of the party's current members joined between January and August 1990.

Party officials said the situation is returning to normal after the 1989 election. "The fact that the party has been able to retain more than 2 million members proves that the party has been performing steadily," said Hideo Watanabe, chairman of the LDP National Organization Committee. Some political observers, however, attributed the decline partly to a lack of enthusiasm among senior LDP leaders in soliciting new members. They said this was because no primary was held before Toshiki Kaifu was selected last summer as LDP president. Membership in the LDP requires Y4,000 in annual dues. To be eligible to vote in an LDP presidential primary, members must have paid dues for at least three years.

LDP's Kanemaru Wielding Wider Influence

OW2009101090 Tokyo THE JAPAN ECONOMIC JOURNAL in English 22 Sep 90 p 3—FOR OFFICIAL USE ONLY

[By Shigeru Wada]

[Text] Shin Kanemaru has been in politics for 32 years, and at the age of 76 is considered elderly even by the generous standards of Japanese politics. But these may be the best days of his public life.

From public works spending and Japan's defense policy to the Northern Territories issue with the Soviet Union, Tokyo listens whenever the former deputy prime minister talks. He even has Beijing and Pyongyang ready to hear what he has to say.

He recently returned from visits to Taiwan and China, where he tried to build bridges between the two government. On Sept. 24, he'll be off to North Korea, in a bid to secure the release of two Japanese fishermen held since 1983. Many observers say it could be the first step in a process of normalizing relations between Tokyo and Pyongyang.

"Yes, he is the Deng Xiaoping of Japan," said a fellow member of the ruling Liberal Democratic Party [LDP]. "The supreme leader with no official status."

Kanemaru seems to have greater influence than former Prime Minister Noboru Takeshita, whose LDP faction he heads, and former Foreign Minister Shintaro Abe. Just a year ago, few would have contested that those two were the powers behind the prime minister's throne.

A look at Kanemaru's career sheds light on how he has gained his influence. Born the son of a sake brewer in Yamanashi Prefecture, just west of Tokyo, he joined the Diet in 1958, in the same general election as Takeshita. Both belonged to the faction led by the late Eisaku Sato, who served as prime minister from 1964-1972.

In 1972, the faction and the premier-ship were taken over by Kakuei Tanaka, notorious for introducing "money politics" to Japan in a big way.

Kanemaru's position in the faction was strong because he had secured the solid allegiance of his rural Yamanashi constituents, with his down-home ways, endless networking and pork-barrel politicking.

From there, the big, broad-shouldered Kanemaru went on to serve as vice minister of posts and telecommunications and transport. He followed that with stints at the Construction Ministry, the National Land Agency and the Defense Agency.

Those posts gave him a strong footing in policy affairs.

More important, Tanaka was a pioneer of the idea of making government agencies more responsive to voters' demands, especially in regard to public investment. Kanemaru, a good student, learned the lesson well. He demonstrated that yet again last year, when he secured the test tracks for the futuristic magnetically levitated train project for his prefecture.

He is also an expert in handling Diet sessions and pushing bills through. Unlike most LDP members, he has worked to forge ties with the opposition. The closest of these is with Makoto Tanabe, the pragmatic vice chairman of the Japan Socialist Party, who asked Kanemaru to intercede on behalf of the captive fishermen in North Korea.

But Kanemaru really joined the front-line actors of Japanese politics in the mid-1980's.

In 1984, he was appointed LDP secretary general, to assist then-Prime Minister Yasuhiro Nakasone. The next year, Takeshita, urged on by Kanemaru, formed his own group within the Tanaka faction.

When Tanaka fell ill, Takeshita absorbed the majority of the faction and set up his own group in 1987.

Kanemaru was expected to wind up his political career with Takeshita's succession to the premiership in the fall of 1987. Indeed, he seemed to have little to do in the early days of that administration. The Recruit scandal changed that.

The influence-peddling affair, exposed in the summer of 1988, tainted not only Nakasone, Takeshita and Abe, but also future party leaders.

Kanemaru, one of the few LDP bigwigs unscathed by the scandal, started drawing a lot of attention from his desperate colleagues.

As the LDP's public support nose-dived, and resentment seemed ready to turn to revolution over the introduction of the 3 percent consumption tax, Takeshita had no choice but to resign.

He chose then-Foreign Minister Sosuke Uno as his successor. Uno was so patently weak that the way seemed clear for Abe, Takeshita's ally, to take over.

Kanemaru was not pleased at that prospect. It wasn't that he dislike Uno, but he was upset that Takeshita hadn't bothered to consult with him first.

Uno was soon enmeshed in an embarrassing sex scandal, and was replaced by Toshiki Kaifu.

When Takeshita, as part of the LDP's political "reform", seceded from the faction, Kanemaru took on the leadership (agreeing to keep Takeshita's name for the group). Kanemaru initially complained he was spending more time taking care of the faction than Takeshita was. ("I fell like a hired madame," he used to say.) But, eventually, the group's rank-and-file gradually came under his influence.

That had a lot to do with his touring the country during the February lower house elections, giving speeches and raising funds for his faction members. Takeshita remained in Shimane Prefecture, mostly taking care of himself.

Thus, after the elections, Kanemaru emerged as a superpower in intra-party politics.

Although he and Takeshita share the same grandchildren, the racks and fissures between the long-time comrades have been widening.

That was underscored in April, when Kaifu was struggling to wrap up the interim report of the Structural Impediments Initiative talks with the U.S.

While most other influential LDP members were reluctant to help Kaifu out, Kanemaru publicly voiced his support. That was enough to extinguish the anti-Kaifu sentiment. To reach the top, support from the 107-member Takeshita faction is crucial.

Kanemaru seems willing to continue backing Kaifu. He is an advocate of transferring power to the younger

generation: Where he once pushed for Takeshita against Tanaka, he now says more youthful party members should be given a shot.

Two of those members—LDP Secretary General Ichiro Ozawa and Finance Minister Ryutaro Hashimoto—happen to be in the Takeshita faction.

Kanemaru favors Ozawa for his ability to handle the party; he rarely mentions Hashimoto, even though the latter is known as a smart policy expert. That gives Ozawa a big edge.

Criticism Painful for Chairwoman Doi

902B0233A Tokyo MAINICHI SHIMBUN in Japanese 7 Aug 90 p 2—FOR OFFICIAL USE ONLY

[Article by Takao Iwami, editorial staff]

[Text] Takako Doi's speech is good. Although it is difficult to generalize about adeptness in the art of speaking, because its appreciation is influenced by a listener's taste, she now seems to have surpassed in dignity and intensity the ace of Waseda University's speech club, Prime Minister Kaifu.

For the first time in a great while I had a chance to hear Doi speak. It was at a political social event, "the summer political discussion and refreshing party" sponsored by the Association for Support of Takako Doi held at Nihon Seinen Hall in Tokyo on Saturday evening of last week. Her speech was short but she repeatedly made the audience laugh and applaud. The following two parts still ring in my ears.

"I am clumsy by nature and I have been stubborn all my life. People tell me to throw a curve ball once in a while or to have better control of my pitch, but a person cannot change overnight. I am stuck with this character of mine, and I can only go about my business sincerely with all my heart," she concluded with this self-analysis.

"I want to build a trustworthy opposition party, but I have plenty of shortcomings, and I appreciate your criticism. Where there are no expectations, there is no criticism, and I will deal with your criticism although it may be painful to hear."

In the past, she was offensive and provocative, and rarely uttered words soliciting criticism. I honestly sensed her hopes and concerns.

In one more month she will have served a full 4 years as a chairwoman. In the Liberal Democratic Party's jargon, it is a long administration. I do not consider it strange that there is criticism, slander, or joking concerning her, it would be rather spooky if there nobody spoke in this way about her.

A top leader must always keep a tight grip on the inside, and bravely confront the outside. He must exert 70 percent of his strength toward controlling the party, said former Prime Minister Shinsuke Kishi. This may be a bit over-stated, but it describes the equally difficult task of managing a group of people.

Doi has fought with a strength that might even reverse Kishi's apportionment of where strength must be channeled, and she has the honor of winning elections all the time. Even this summer, she has not taken a rest like leaders of the Liberal Democratic Party.

"I have never taken a vacation. I am a workaholic. I am in better physical condition when I am running around on business," says Doi.

However, probably due to not apportioning her strength as Kishi suggested, she has slipped in her control of affairs inside the party. She does not have to worry too much about infamous cases where party executives make light-hearted statements during their foreign trips and must explain them later at home, since the Liberal Democratic Party today also suffers from similar blunders. Nevertheless, there is a magnetism missing in her party.

There has not been a grand strategy communicated from Doi's general staff office. Perhaps the general staff office is short of men or short of strategists. Director of the LDP's General Staff Office Ozawa pitches fastballs, one after another. The Socialist Party must hit them back and pitch their own fastballs. Otherwise the game will be one-sided.

One of the messages from nationwide supporters, which was introduced at the previously mentioned "refreshing party," communicated the following request:

"I am very sorry that there is the impression that you are a party chairwoman unable to take command of the internal party dissension over Japan-U.S. security. Please don't worry about the appearance. Rather than opposing the security arrangement which could wall yourself in, I sincerely hope that the Socialist Party will grow into a politically mature party able to opt for substance instead of name. Secretary Doi, please have confidence in your influence outside the party and act decisively in coordinating internal conflicts!" (Mitsuko Shiizuka, Tokyo)

Her ambiguous handling of the affair surrounding the "approval of security" as reported by Secretary General Tsuruo Yamaguchi is cause for disappointment.

Recently, Doi's personal visibility has been high, for instance, the KEKKAN SHAKAITO [monthly Socialist Party publication] which labeled her as "Princess" and "Empress." (However, this is something which should not make her angry. A nickname for a politician is a barometer of her popularity.) Additionally, there is a suggestion recommending that she be made governor of Tokyo. Even the chairman of the Coalition of the Opposition Parties, Akira Yamagishi, started to talk about "Tokyo Governor Doi." I thought that Doi might have felt very uneasy about this, but Doi was quite undisturbed, "I am not at all worried about it."

She seems to be relaxed assuming that a big shot like Yamagishi will not disclose the prospective winner of an office so early. However, some people take it as a "toppling of Doi." Of course, everything can be perceived as "criticism that hurts the ears" which she says that she wants to hear.

One of her aids said: "Let her stick to her stubborn nature. The only thing that she can do now is to demonstrate her simple honesty. If that disqualifies her as a politician, she does not have to be a politician."

There was a slight tone of irritation, but I understand his feeling. Stubbornness is precious. Disregard of reality is not sensible. However, she must elaborate on what she so stubbornly stands for lest she be mistaken for a person who believes blindly in dogma and belittles reality.

Series Looks at Today's Japan Socialist Party

902B0246A Tokyo YOMIURI SHIMBUN in Japanese 16-24, 26 Aug 90—FOR OFFICIAL USE ONLY

[Series of 10 articles on various facets of the Japan Socialist Party by unnamed reporters]

[16 Aug 90 p 3]

[Text] The Doi Party: Criticism of JSP Chairwoman Taboo

The JSP [Japan Socialist Party] was "alone victorious" among the opposition parties in this February's lower house elections and with its smashing victory in last year's upper house elections. At the party convention in April, for the first time signs were hanging out front proclaiming, "The Emerging Party of Power." Has the JSP in reality changed? Or is it just trying to change? This is a report on the current state of affairs within the JSP.

Vice Chairman Makoto Tanabe is the party leader whom the two most right-wing factions within the JSP, the Junan and the Genjitsu, together with the Jita, recognize. Tanabe, on 27 April, at the Japan Teachers' Union Convention (Kochi City), laid out this challenge regarding the consumption tax: "A moratorium for the one-year period of 1992 ought to be instituted."

Tanabe, three days earlier, had announced that, "If the Liberal Democratic Party (LDP) does not concede 60 to 70 percent, no agreement can be reached," and was simply manifesting a position which reflected a broadly based revised viewpoint. The sudden change happened in a mere three days. The LDP and the other opposition parties were of course suspicious of the JSP's true motives.

But, there was a reason. Tanabe's proposal for a "60 to 70 percent concession" caught party Chairwoman Takako Doi's eye. She has consistently advocated repeal of the tax, saying, "What's no good is just no good!" Tanabe was subjected to "cross-examination" and asked, "What is this all about?"

The view within the party is, "Apparently Mr. Tanabe, a veteran of myriad political battles, had to 'exonerate himself' with Ms. Doi for having spoken in such strong terms."

The most vivid image which the Japanese hold of the JSP is "Takako Doi." In second place is the "entertainer Madonna" (6 percent), whom she surpasses by some 20 percent—the results of a survey conducted by the YOMIURI SHIMBUN last month. Those citing the reason for the JSP's leap forward in the Diet elections this February as due to "Chairwoman Doi's personality" reached 43 percent.

The feeling is widespread within the party of riding the coattails of "Doi's popularity" and has made criticism of her almost taboo. Challenging that taboo was the party organ, the JSP MONTHLY (July issue), which in an anonymous round-table discussion indicated that Doi "has become queen." But, in casting the stone, the upshot for the chief editor's strong counsel is that it landed him on probation.

At the heart of the four-year-old Doi organization is that factional disputes over the JSP's "domestic arts" are kept at an extremely low profile. The JSP, run by Doi who has a certain charisma, is "an organization composed of all mainstream political factions" (party leader) in the style of the LDP. What in fact is really going on?

[17 Aug 90 p 3]

[Text] Disunity: Whose "Responsibility" Is Policy?

After generating fierce opposition within the party, General Secretary Yamaguchi's "conversation" (released last 23 June) suggesting "tolerance" for the Japan-United States Security Treaty is now gathering dust on the shelf.

"Actually, the 'conversation,' prior to its release, was reviewed at the party's top leadership levels and was given the go ahead" (party headquarters). Confusion spread within the party at the 5 July top-level leadership conference.

Tsuruo Yamaguchi (general secretary): "I take responsibility."

Wataru Kubo (vice committee chairman): "The general secretary was in the hospital. This time around, it's the responsibility of the party's top leadership levels."

Toshihisa Shibusawa (deputy general secretary) "(Speaking for the general secretary) we followed party procedures to the letter. Having said that, I personally take responsibility."

Takako Doi (JSP chairwoman): "The responsibility is entirely mine."

However, in the end, no one tried to discharge "the responsibility" of seeking a sense of the party concerning the conversation. The party leaders back-pedaled,

saying, "The procedures and content were both inadequate" (Doi), and, "It wasn't something sanctioning the security treaty" (Yamaguchi).

"Just who in the world has responsibility for deciding policy?" Such manifestations of wonderment are not uncommon within the JSP.

For example, the"Joint House Conference on Tax System Issues," inaugurated 27 June. Two weeks earlier, JSP Vice Chairman Makoto Tanabe, in conversations with former Deputy Prime Minister Shin Kanemaru and LDP General Secretary Ichiro Ozawa, agreed to the mechanism of direct participation by Shun Oide, Party Policy Committee deputy chairman, although he continues to deny this vehemently, saying, "We're not in agreement."

It is the same with electoral system reform. In contrast to Tanabe and Kanju Sato, chairman of the Electoral System Policy Committee, who are advocating the system of single-member constituencies standing side-by-side with proportional representation, Doi is stressing, "Regulation of political funds has priority." The 33 JSP freshmen Diet members are standing firm that, "We are opposed to both the side-by-side and proportional systems."

Security and self-defense policy, the consumption tax, political reform are all important "summer homework" for the political parties in shaping the fall offensive and defensive jockeying between the party in power and the opposition parties, but will the guiding of the party to consensus go forward skillfully?

[18 Aug 90 p 3]

[Text Power Diagram: Two "Number Twos"

"I've not been hearing anything. I find that very disconcerting!"—heard at the 5 July Central Executive Committee meeting. Already, Tsuruo Yamaguchi, holding the position of general secretary and having received permission to leave the hospital after more than a month's convalescence, is assailed by uneasiness.

Yamaguchi's target was Vice Chairman Makoto Tanabe. Tanabe was to depart five days later with General Secretary of the LDP Ichiro Ozawa, General Secretary of the Komeito [Clean Government Party] Yuichi Ichikawa and others as a member of a bipartisan group visiting Europe.

"I have no idea," Shun Oide, Diet Affairs Committee chairman, said, falling in line with Yamaguchi. Shigeru Ito, JSP Policy Board chairman and Kanju Sato, JSP election official, scoffed, "To make an inspection of the election system, we don't need first to make a visit to see be-all and end-all West Germany." Chairwoman Takako Doi who had agreed to visit Europe remained silent.

Meanwhile, Tanabe just stared at the ceiling, while Deputy General Secretary Toshihisa Shibusawa and Public Relations Chairman Taneaki Tanami, who are in Tanabe's camp, scowled.

The JSP leadership's "human model" has never manifested itself so clearly—as the sense of the party leaders who happened to be present.

Tanabe's return to the party leadership's inner circle coincided with the April party convention. The view generally held within the party is that the positive lead role in the consumption tax issue and the Diet affairs policy that "number two Yamaguchi" has been quietly playing in his frequent consultations with former Deputy Prime Ministers Shin Kanemaru and Ozawa has "the power relationship backwards."

Tanabe and Yamaguchi both are members of the "Wednesday Club," the pivotal faction of the right-wing Political Power Research Association. Moreover, in that their conscious rivalry goes way, way back—both hail from Gumma Prefecture—discord between them appears to have continued getting worse.

At the same time, the growth of Tanabe's influence is unsettling for other party leaders. The relationship between Oide and Yamaguchi has become close as "anti-Tanabe"; and Doi, who has been relying on Tanabe in weathering the political situation, is beginning to distance herself from him on the consumption tax issue—such, too, is the emerging party consensus.

The power diagram within the JSP seems to be evolving complexly on a Tanabe-Yamaguchi axis.

[19 Aug 90 p 3]

[Text] Pipeline: Narrowing the Gap Between the Party In Power and the Opposition Party

To the extent the coalition of opposition parties—the JSP, the Komeito, Democratic Socialist [Minshato] and United Social Democratic [Shaminren] Parties—cannot reach consensus on fundamental policies, such as security and self-defense forces, it is at a dead end.

Despite comments that, "The JSP which does not make correct judgements is at fault" (Komeito leader), and, "The trouble is that it was a 'one person' win" (JSP source), but are those the real causes?

"In general, the party leaders are just daydreaming when it comes to a coalition government if they are not trying to have frequent heart-to-heart talks" (a deputy committee chairman within the JSP).

Relationships between opposition party leaders are a rarity. The observation that this complicates unity among the opposition parties is not wide of the mark.

As a matter of fact, it is being said that from the conversations Chairwoman Takako Doi and General Secretary Tsuruo Yamaguchi have been involved in with

leaders of the other opposition parties ever since the April party convention, "There is almost no difference in our public and nonpublic positions, with the exception of Satsuki Eda (Shaminren leader)" (person connected with the JSP).

In particular, Tsuro Yamaguchi is definitely not seen as laying the groundwork with the other parties what with Naohiko Okubo (Komeito vice chairman) of the "Tsuruo and Naohiko duo" having lost the last election.

The JSP, at its April party convention, advocated "policy deliberations that would hurdle the wall between the party in power and those in opposition." But, the JSP's relationship with the other opposition parties will become suspect if it merely becomes a conduit for the LDP.

Despite Vice Chairman Makoto Tanabe's, "ostentatious display" of his relationship with Shin Kanemaru, chairman of the LDP's Takeshita faction, his connections with other factions and other leaders is not in any way close. Doi's relationship with Masayoshi Ito (political reform task force head), who is something of the "stalwart," and with Hajime Tamura (former speaker of the House of Representatives) and "drinking buddy" (the Doi circle) is extremely shallow.

Doi's political style is to "place more importance on relationships with citizen and women's groups than on Nagatacho fellowship." Together with Doi's popularity, this is a freshness not seen before in politicians, and it certainly does give breadth to the JSP, but....

[20 Aug 90 p 3]

[Text] **Post-Doi: Amidst the Chaos, Mr. Yokomichi Is Pivotal**

Past noon on 31 July, JSP Vice Chairman Makoto Tanabe, who was visiting the Hokkaido Development Agency (Sapporo), and Takahiro Yokomichi, governor of Hokkaido, talked alone for more than 30 minutes in the governor's office. At its end, Tanabe revealed, "I wanted to talk with Yokomichi about the future of the JSP." It is not difficult to imagine an exchange of views centering on a "post-Doi" JSP.

On 31 March three days following the party convention at which Chairwoman Takako Doi was elected to a third term, Yanosuke Tarasaki, chairman of the Shaminren Diet Policy committee, met with Yokomichi at a restaurant in the Sapporo area. Tarasaki, a former member of the same faction (New Wave) within the JSP, pressed him for a decision. "You must return to Tokyo soon."

Doi's third term of office lasts until 1992. It is generally accepted that barring a major defeat in national elections for a "Doi-based JSP," the "Doi organization" will continue for a long time, but there is an additional element in that at the time of her election to a third term, Doi was saying that she was "tired" and a reluctant candidate. The "post-Doi" struggle is very, very quietly focused on Yokomichi.

Takahiro Yokomichi is 49. After having served five terms for a total of 13 years in the lower house, he has been the governor of Hokkaido since 1983. A "controversialist of star ranking," many are saying, "Yokomichi is next" (a JSP deputy committee chairman).

That may be so, but the situation is that Yokomichi is fully prepared to resign over the stigma caused him by the huge amount of red ink left over from "a food festival" and that his head is full of matters having to do with the governor's election next spring. "To return to Tokyo any time soon would be reckless," (source within Yokomichi's circle).

On other fronts, it's not that there is any lack of theories of Tanabe's "late-inning relief," or, on the heels of a union between the JSP and the Shaminren, of Satsuki Eda (Shaminren leader). But Tanabe, who is 68, faces mandatory retirement at 70, and there is strong resistance to Eda. "Why is it necessary to bring someone in from another party and put him at the top of the JSP?"

How Doi herself is responding to the idea of a "post-Doi" leadership continues to be unclear.

[21 Aug 90 p 3]

[Text] **Reorganizing: The Right, Left, Middle—Jockeying Factions**

Under the aegis of the Doi organization's "all mainstream factions," the "Socialism Research Society" [Sha-kyu] (the old Sasaki faction, Takatoshi Fujita, society president) formed a new faction within the party, "Ye Olde Shoppe [Shinise]."

Supporting the Doi organization are right-wing groups revolving around the "Wednesday Club (the old Eda faction)," and on the left "Association To Create a New JSP." There is a third force countering these "two mainstreams"—the aim of the "Sha-kyu, which is the almalgamation of centrist factions within the party."

"When the Doi Socialist Party once again becomes the Japan Socialist Party, it will be a severe predicament for the JSP. At that time it will be necessary for the centrist faction to be the powerful faction."

The Sha-kyu leaders, who are keeping an eye focused on the post-Doi period, are making no secret of the center's attempt to cut into the current "amalgamation of factions on the left and right."

The Sha-kyu drew fiercely close to the administration of Chairwoman Doi who elevated Diet Affairs Deputy Committee Chairman (Isamu) Kiyomizu to Diet Affairs committee chairman following her inauguration for a third term in April.

"Diet Affairs Committee Chairman Shun Oide, in stepping down after one term, had promised to hand the chairmanship over to Kiyomizu. How would it look for him to go back on his pledge and remain in office for another term?"

However, further demands of the Sha-kyu which had sought fulfillment of this "secret abdication pact" were rejected. It is no wonder then that the Sha-kyu thinks, "We need the strength of numbers."

With this kind of development, the other factions responded sensitively. "Is the Sha-kyu not trying to promote Policy Committee Chairman Shigeru Ito (Middle faction, and former Katsumata faction) as the next party general secretary?" This rumor spread like wildfire.

Despite that, in the race to be the next general secretary "there are eight self-declared candidates." They include: Oide, Kanju Sato (Election Policy Committee chairman), (Hikiyo Iwata) (committee chairman nominee), Ito, Kiyomizu, (Sadao Yamahana) (deputy general secretary), Toshihisa Shibusawa (same) and Wataru Kubo (deputy committee chairman, upper house).

"It will be a race with no odds-on favorite," (JSP leader). Nonetheless, the jockeying to become "next" is already under way.

[22 Aug 90 p 3]

[Text] Declining Fortunes: Socialism Society's Survival At Stake

In the February lower house elections, JSP freshman Diet members successful in the election who were candidates from Tokyo districts issued promissory letters prior to the election to right-wing party leaders living in the same district that said, "In the future I will have nothing to do with the society."

Those Diet members who were active in the JSP's extreme left-wing Socialism Society (Takehiko Kawaguchi, president), even promised that following the election they would join the anti-society right-wing group, Political Power Research Association. This was because they needed the support of labor organizations connected to right-wing groups in order to get elected.

On 11 March, following the lower house elections, a plenary session of the society was held at Yugawara in Kanagawa Prefecture. However, of the JSP Diet members belonging to the society, most prominently former JSP Vice Chairman Torao Takazawa, not one attended. Although Takazawa said simply, "I had things to do," according to the society's leadership, "Apparently there was the judgement that attendance would be an election minus."

The society, as the group adhering to Marxism-Leninism, once took pride in being a group as "solid as granite" despite being under constant attack as "a party within the party." Then, five years ago, (Toshiaki Sakisaka), who had the aura of "a founder of a religious sect," died. Subsequently, democratization of the Soviet Union and Eastern Europe served to finish them off.

Among its five or six Diet members, those in the party central administration number zero. It's influence on the party leadership is almost nil and it is increasingly in decline.

The fight for survival of the "society as a setting sun" is "foxhole warfare." It is laying in plans to ensure its regional strength through its positions on the antinuclear, antidefense treaty and antibases controversies. Indeed, it is playing a role designed to retard the movement toward "acceptance of mutual security" with the United States.

It is undeniable that "although its influence at the party center has diminished, the party's earnest regional activists are society members" (Diet members connected with the society). Clearly it holds one of the keys as to whether or not the JSP can cope in practical terms with its goal of being "The Emerging Party of Power."

[23 Aug 90 p 3]

[Text] Focus on Social Democracy: Road to Realization not in Sight

This year on 1 June, Hokkaido governor and influential "post-Doi" candidate Takahiro Yokomichi called on former Speaker of the Lower House Keigo Ouchi, now general secretary of the Minshato. It is reported that Ouchi told Yokomichi, upon being congratulated by him on becoming general secretary, "Hurry and come back (to the Tokyo political world). If you did, a merger of the JSP and the Minshato would take place quickly."

Although a part of this was lip service, there is the expectation on Ouchi's part that if Yokomichi, who has experience as a prefectural governor and who is practical, were to return, the JSP would change. To put it another way, "A merger with the Minshato would be reckless for today's JSP," (Oide).

At the April JSP convention, Chairwoman Takako Doi first appealed for "marshaling social democracy." But, no concrete movement toward concentration is evident whatever. The Socialist Theory Center (Kanji Kawasaki chairman) is assembling "a basic philosophy of social democracy," but even within the party there is criticism that, "We talk of such things as a mixed economy or being a people's political party, and that is appropriate. But I just don't understand at all what is to be concretely accomplished," (Nobutaka Tsutsui).

On the other hand, even the Minshato is not in the position of "marshaling social democracy." Because the disparity in the number of Diet seats with the JSP is so great, some party leaders speak with an air of self-deprecation that, "If we were to join them as things stand today, we would just be swallowed up. There would be

one deputy committee chairman's post sent our way, and no change in the JSP would be effected. Now if we were something like half the size of the JSP...."

As for "concentration on social democracy," the "outfield" is more active than the participants. Representative are Rengo president, Akira Yamagishi, and Satsuki Eda, leader of the Shaminren. Yamagishi is a long-time advocate of "historical reconciliation between the JSP and the Shaminren." In addition, Eda is advocating the Rengo New Party.

However, "The flute plays, but there is no dancing," and with opposition party battle lines drawn, it's all the more "a nebulous situation," (Yamagishi). Eda says, "I suspect this summer is a critical period for marshaling the political power necessary to square off with the LDP." However, this summer is almost over.

[24 Aug 90 p 3]

[Text] **Limits: For North Korea, "LDP the Counterpart"**

In the 1960's, the person who was caught up in the "anti-security treaty" whirlpool as assistant director general of the Conference To Halt the Revision of the Security Treaty was the current JSP Policy Board chairman, Shigeru Ito.

Thirty years later on 17 July, together with Sanji Muto (former JSP vice chairman) as part of the bipartisan group visiting the United States, Ito looked back over the years since he first set foot in the White House oval office as a party leader.

"Whether we are speaking of America, or of the LDP and the JSP, or of China, the Soviet Union and the People's Democratic Republic of Korea (North Korea), the era of Cold War structured politics is over," (Ito).

Next month, former LDP General Secretary Shin Kanemaru, as leader of the LDP contingent, and Vice Chairman Makoto Tanabe, as leader of the JSP contingent, will visit North Korea with the aim of improving relations with North Korea. Tanabe is calling this an "LDP-JSP joint venture," and as an invocation of the changing times he is accurate.

However, at the same time, despite the JSP's "patent" on Japan-Korean relations in the past, in the movement to open things up, the negotiating partner North Korea is looking to is the party in power, the LDP—such is the reality that surfaces. As of late, whenever the JSP tries to advance a step forward from its simple "friendship and amity diplomacy," it meets up with "the eternal limits of being the opposition party," (LDP source).

Its relationship with the Soviet Union is no exception. The reason Doi's (JSP chairwoman) visit to the Soviet Union, which has been in planning for some time, has never materialized is that, "The Soviet Union is focused on the LDP. The JSP is not in its line of sight," (JSP leader). This is a real anxiety which the party feels.

There is no concrete sign either that Doi's trip to the United States, which has been in planning since last year, will materialize either. There are the issues of the Structural Impediments Initiative [SII] talks, the liberalization of the rice market, the security treaty, etc. It is said that the reason for hesitancy in Doi's visiting the United States is the worry of, "How will she deal with these questions if they are forced upon her by the American side?" If that is the case, this area is critical for a party aspiring to become the party in power.

[26 Aug 90 p 3]

[Text] **The Road To Power: Readiness To Shed Blood Necessary**

Major changes within the JSP, which for so long has been called the "party of labor and the unions," have been under way during the four years of Takako Doi's tenure as chairwoman.

The symbol of that is the "forum for creating a circle of advisers for Takako Doi." It is an assemblage the JSP is calling on to think about government while supporting Doi. Already membership has grown to 30,000 people in the 39 regions of government within Japan.

Separate from this is the "Doi Support Club," which is built around political commentators. As Doi's "private assistance group," there are some 800 members throughout Japan. It is a "club to surround Doi" with representatives from labor, the arts and the academic world. And within Doi's JSP there is the aim to emerge as "the party of the citizen" and "the party of women," and in this way one can indeed say that the party's base is truly expanding.

However, even in talking about broadening the party's purview, ad nauseam it is dependent on Doi's personal popularity. That the election results were not supportive of JSP policy is genuinely felt by the party's leadership.

The 21st of last month, at the All-Japan Self-Governing Policy Research Association convention in Hanamaki City in Iwate Prefecture, Ritsudai professor, (Munetomo) Shindo, who was invited by the party to attend, demanded, "Can't the liberalization of rice be halted?" and "We ought to boldly step up to a value-added tax as has the European Economic Community."

Shindo told them that if they aim to become the party in power, bold changes in policy are necessary. "What responsibilities are accepted (in governing) is critical," he added, urging an "awakening" within the JSP.

The model the JSP is using to become "The Emerging Party of Power" are the West German Social Democrats. The springboard for the Social Democrats in gaining power and shedding the aura of being a perpetual opposition party was the "Godesberg plan" (1959).

In this decision with the main points of the plan calling for a shift from a political party of class to a political

party of the people, it was necessary to make sacrifices by going as far as expelling members from the party.

History teaches us that the vistas to power won't open up unless there is a bold readiness to shed blood.

Defense Issues

* Red Army's Tamiya Expresses Hope for Return

902B0195A Tokyo ASAHI JOURNAL in Japanese 20 Jul 90 pp 87-89—FOR OFFICIAL USE ONLY

[Report of an interview with Takamaro Tamiya by Masayuki Takagi, commentator]

[Text] Twenty years has passed since the hijacking of the JAL plane Yodo. This reporter visited North Korea and met alone with Takamaro Tamiya, "exiled" leader of the Japan Red Army, and asked his true motive for sending a written request for "talks for returning home" to Prime Minister Kaifu.

Former members of the Japan Red Army, who have recently commemorated their 20th year since they entered the Democratic People's Republic of Korea [DPRK] after hijacking the JAL aircraft Yodo, sent a letter signed by their leader Takamaro Tamiya to Prime Minister Kaifu requesting that there be "talks for returning home." A few days later in late June, I met the suspect Tamiya and several other members in Pyongyang and asked them their intentions.

Tamiya whom I met at a Japanese restaurant explained the reasoning behind the group's decision to write a letter to Prime Minister Kaifu: "We would not consider surrendering and being immediately arrested upon leaving the DPRK, and we know that the Japanese police cannot come here to arrest us. Also, the government of the DPRK will not play a role for the Japanese police. In that context, our problem which has persisted for 20 years can only end with a political solution. We sent the letter because we thought it is better to solve this issue through talks."

Early in July while I was staying in Pyongyang, former Vice Premier Chong Chun-ki of North Korea, who is now chairman of the Association for Foreign Cultural Contact, made a statement at the press conference with media reporters who accompanied the Japan-Korea Friendship Tour led by Akira Kishii requesting the Japanese Government to work for the early return of the Red Army group responsible for the Yodo hijacking. Vice Chairman Yi Chol-sin of the association who spoke to me alone, also stressed that efforts were expected of the Japanese Government in order to improve relations between Japan and Korea.

This is the first official statement in 20 years by the North Korean authorities concerning the Yodo Red Army group since the group entered the country. A breach in the formidable wall of the international conditions surrounding Japan-Korea relations is about to be opened, and this undoubtedly will stir up the issue of the return of Yodo Red Army group. The letter to Prime Minister Kaifu was sent timed with this encouraging development.

The Yodo Red Army group which has expressed homesickness and the desire to return home in party bulletins, etc., also sent a letter signed by Takamaro Tamiya five years ago in 1985, which was addressed to then Prime Minister Nakasone and Chief Cabinet Secretary Fujinami sounding out their opinion of the possibility of the group's return. Comparing that letter to the one addressed this time to Prime Minister Kaifu, they are similar in that they request "talks" about the return issue, but this time it is different in that the expression, "acquittal and return," was not used and the criticism of the Japanese Government was toned down.

"Is it rather the Japanese Government who, based on justice, should apologize to the people for its past mistakes in suppressing young men's concerns for their country and pushing Japan to subordination to the United States and militalization." "It is requested that you will approve our return since we are citizens of Japan, correct the past wrongs of the Japanese Government...and fulfill its international obligations." (former letter)

"It is a due international obligation of the Japanese Government to straighten out relations with the DPRK and contribute to the democratic and peaceful unification of Korea, and our issue must be resolved to enhance that possibility. It is not that we simply yearn to go home, but we also do not wish to embarrass the government of the DPRK any longer and would like to avoid, if we can help it, being an obstacle to the normalization of Japan-Korea relations." (current letter)

On the other hand, the statement regarding the Yodo Red Army group made at the press conference by Chairman Chong Chun-ki of the Association for Foreign Cultural Contact was as follows: "The issue of the Yodo people is a problem between them and the Japanese authorities. I think they are right in requesting the Japanese Government to agree to an acquittal upon their return. The Japanese authorities have spread rumors that we used them to launch terrorist acts, but they will not be able to spread such rumors if we let them go home soon. We are providing for their living needs and treating them as exiles, but we are hoping that they can go back to Japan soon to live a happy life with their parents, brothers, and sisters."

Vice Chairman Yi Chol-sin who also spoke to me, added the following view which was similar to that of Chairman Chong. "They no longer represent the Red Army. During the past 20 years, they have changed to

men with a resolve to fight for independence, democracy, and peace. They have demonstrated the mettle of the Japanese people through this transformation." "They are exiles and not citizens of the DPRK, and we are only carrying out our international duty to protect exiles just like any other country in the world would do. They are free in this country, and we are not forcing them to return to Japan against their will. If we wanted to do so, we would have done that a long time ago."

Tamiya, whom I met one-on-one, laughed easily, talked engagingly, ordered and ate energetically sushi, tempura, and soba, and looked healthy. At night suspect Morisuke Wakabayashi and other members visited the hotel where the Japan-Korea Friendship Tour Group stayed, and talked with everybody, sold Tamiya's book, booked subscriptions to the party bulletins and also once in a while chatted until late at night over beers in the tea corner.

There are some members who did not show up this time, but we heard they are writing books, working, and carrying on their life in other places. Tamiya said: "There are some who wish to remain here without returning, and I cannot deny that wish." Some have Korean wives and children and their names are not seen even in the recently published group's collection of articles. It is said that those people have distanced themselves from Tamiya's activities. Tamiya seemed to have been referring to Takeshi Okamoto.

Realistically Tamiya and his followers know that their chances are slim of receiving an "agreement for acquittal upon their return" to Japan. They seem to be fully aware that they will be prosecuted if they return, but they are anxious and hope that the Japanese Government will take into consideration the lapse of 20 years and changing relations between Japan and Korea. In addition, Tamiya and his group are paying close attention to the verdict which is expected to be handed down this year against defendant Katsuhiro Shibata who was arrested while he was illegally visiting Japan. They hope to use the outcome as a test case upon which they can determine the time and method to implement their planned return.

Leader Akira Iwai of the Japan-Korea Friendship Tour Group remarked: "Aside from the size of the damage, the issue of the Yodo group is certainly a thorn which cannot be disregarded in resumption of Japan-Korea diplomatic relations." It seems inevitable that the Japanese Government will be pressed someday for a political judgement in addition to dealing with it through the police and the law.

Defense Agency Drafts Five-Year Buildup Plan

OW1909065090 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Sep 90 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Text] The Defense Agency [DA] has firmed up a draft for the next-term defense buildup plan to go into effect in 1991.

Key points of the draft are: 1) the defense buildup plan is for a five-year period and envisages a total expenditure of 23.36 trillion yen, with annual outlays increasing by an average of 3.9 percent a year in real terms; 2) the "outline of the defense plan" setting forth the current defense buildup concept will be firmly adhered to; emphasis will be given to logistical support, centering around improvment of billeting facilities and information and communications facilities, rather than to procurement of frontline equipment, like tanks and airplanes, while remaining within the framework of the outline; 3) in frontline equipment, AWACS (Airborne Warning and Control System) planes and MLRS (Multiple-Launch Rocket System) will be procured from the viewpoint of improving quality, while the purchase of aerial refueling tankers, which has been under study for some time, will be postponed; 4) Japan will assume an additional 100 billion yen in the cost of stationing the U.S. forces in Japan.

In consideration of the detente in East-West relations, the DA intends to lower the real growth rate of the new plan by 1.5 point [as published] over the current mid-term defense buildup plan.

In the next-term defense plan, supplies and labor costs are fixed at 1990 prices, and growth rates and total expenses are calculated on the real term basis without assuming commodity price rises. The DA initially planned to set the total amount of expenses at about 23.5 trillion yen, based on an annual growth of 4.1 percent. But (according to a senior official of the agency) the agency has decided to contain the growth under four percent, judging that it would be "wise to plead that it wants to restrain itself, by dropping the growth rate of the defense plan from 5.4 percent of the current defense buildup plan to the three percent level for the new plan," taking into account such factors as improved relations between the United States and the Soviet Union, dramatic changes in East-West relations, and opposition parties' demands on tightening defense spending.

As for the duration of the plan, there are voices from a group inside the Liberal Democratic Party saying that three years would be desirable, citing the fluidity of the international situation as the reason. However, the DA has stuck to its position and is continuing to work out the draft on the basis of a five-year term. The DA holds that "a five-year period is appropriate for effective buildup of defense capabilities," (according to a ranking DA official). Subsequently, the DA plans to continue to use a

"total amount indication method," in which the contents of the plan and the costs of defense capability buildup remain fixed, instead of a "rolling method," in which the contents of the plan can be changed during the course of its implementation.

In the area of frontline equipment, the DA will give more emphasis to qualitative improvements rather than to quantitative expansion even though the quantitative level indicated in the outline will be maintained. The DA will procure, as new equipment, four AWACS planes (each costing about 10 billion yen) to enable the Air Self-Defense Force to strengthen its anti-air defense and sea-lane defense capabilities. In addition, the DA will obtain three sets of MLRS (each costing about 25 billion yen), which will provide the Ground Self-Defense Force with the long-range fire power capability necessary for destroying an invading force at the landing point. This equipment is made in the United States, which has been asking Japan to purchase them.

On the other hand, because of the strong objections of opposition parties, the question of refueling tankers, whose procurement has been studied along with the AWACS planes, will be put off until the following defense buildup plan. It will remain subject to further study until then.

As for the costs of stationing U.S. forces in Japan, because stronger demands are being raised in the U.S. Congress for Japan to increase its share of the costs, the agency plans to announce an overall picture of the increased burden, including the total expenses, in the buildup plan. Specifically, the agency will assume additional costs of around 100 billion yen, agreeing to defray the basic pay of Japanese employees at the U.S. military bases and utility charges for power and other services used by the U.S. Armed Forces.

The DA has yet to adjust views with the Ministry of Finance and other ministries and offices concerned before beginning consultations on details of the draft at the National Security Council (chairman: Prime Minister Kaifu) sometime after October. The agency hopes to have the plan passed by the cabinet before the 1991 budget is finalized in December. But in light of detente in (East-West) relations and the financial problems, Prime Minister Kaifu and the Ministry of Finance will undoubtedly call on the ministry to reduce the buildup scale. It is likely that the scale of the plan will be reduced eventually to 23.1 to 23.2 trillion yen with an annual growth rate of 3.5 to 3.6 percent.

Business Issues

* Series Looks at Sony's Strategy for Future

902A0257A Tokyo NIHON KEIZAI SHIMBUN in Japanese 20, 21 Jul—FOR OFFICIAL USE ONLY

[By Nikkei reporter, Matsumoto]

[20 Jul 90 p 11]

[Text] Strengthen Corporate Performance Through "Business-Use" Equipment; President Ohga Provides Leadership

Sony Corporation is undergoing a big conversion. Generational changes are taking place with the transfer of real power from Chairman Akio Morita to President Norio Ohga. The emergence from a "consumer AV (audio-visual) manufacturer to a general AV enterprise" is on track and in business performance, there have been historic highs in earnings for two consecutive years. In the 1990's, Sony will aim to renew progress toward the new objective of becoming an "excellent multinational corporation" but conditions which can be considered its "Achilles' heel," such as the lack of specialists in the software sector, are beginning to appear.

Ex Post Facto Reports to Chairman

On Tuesday morning of each week, a management conference is held in the corporate headquarters in Shinagawa, Tokyo. The operational policy of this highest decisionmaking body, composed of the chairman, president and vice presidents, was changed in June of last year. When President Ohga cannot attend, because of overseas business trips, etc., the meeting date is postponed. Heretofore, when Chairman Morita was not available, the meeting was not held. Now, "instances are increasing where ex post facto reports are made to the chairman on items decided in his absence," (a corporate executive).

Last June, Chairman Morita turned over the position of CEO (chief executive officer) to President Ohga after a 13-year tenure. However, Sony's leading stockholder is Raykay Inc. (main office, Tokyo; shareholding ratio, 5.5 percent), which still has deep ties with the "Morita family." Regarding the transfer of the CEO's position, there had been gossip in the industry that, "Chairman Morita, who is busy with financial circle activities, had only entrusted the business operation. Actual conditions have not changed at all." Recently, however, it has become apparent that President Ohga is displaying much stronger leadership than before.

It happened this spring. Sony decided to enter the liquid crystal industry. In the rapidly growing liquid crystal market, prominent manufacturers, such as Sharp Co. and Hitachi Ltd., are competing. Up to this point, because Sony sometimes had to spend over Y10 billion

to establish a new production line, it was continued to say that, "it was not planning to enter this market at present" (a corporate executive).

Parts Sales Also Succeed

This policy was overturned on the sole authority of President Ohga. The purchase of Columbia Pictures was also influenced strongly by President Ohga who has expertise in the software industry. "Within the company, President Ohga plays a bigger role than Chairman Morita." That is the testimony of a young managing director. Shifts made to delegate authority were related to trends in structural business changes. Sony registered double-digit earnings losses for two consecutive years, FY82 and FY83. The biggest reason was the blow of a worldwide audio slump but during this period, Matsushita Electric Industrial Co. increased earnings. "The weakness of a structure where consumer electronics products, such as audio and visual equipment, occupy 80 percent of the sales was exposed," (Ken Iwaki, vice president).

An operating deficit (separate account settlement) was recorded for the first time in FY86 but this was due to the external factor of yen appreciation. "The sense of crisis was stronger in FY82 and FY83" (Iwaki). Ohga, who assumed the presidency in the fall of 1982 as successor to Kazuo Iwama who passed away suddenly, started to augment the business-use equipment sector, including floppy disk drive devices and broadcasting station VTR's, and to initiate outside sales of parts, such as semiconductors and CCD's (charge coupled devices), as means to diversify operations.

Following this, sales of commercial-use items (including components) registered double-digit annual growth rates, and the ratio to consolidated sales increased from 15 percent in FY82 to as high as 24 percent in FY89. Their contribution to profits was even higher. Even rival Matsushita's executives claim that, "Sony's business structure has strengthened markedly during the past few years."

Broke "Prohibition" of Founding Generation

Cofounders, honorary Chairman Ibuka and Chairman Morita, nurtured the company through development and sales of consumer electronic products. For that reason, there is a strong prejudice for Sony to remain a "consumer electronics manufacturer." Actually, home use was given precedence over broadcasting use in video commercialization and outside sales of parts were restrained as it was considered "giving aid to enemies."

However, President Ohga broke this "prohibition" with litte difficulty and furthermore, succeeded in strengthening the corporate structure by using the move as a lever. It can be said that his rationalistic approach, which distinguished him from the founding generation, transformed Sony.

Chairman Morita rates President Ohga highly, saying "he is doing an excellent job." Corporate executives explain that "this trust led to the delegation of authority."

President Ohga's next objective is to strengthen the AV software sector. As a result of the successive large purchases of U.S. CBS Records in 1988 and Columbia Pictures in 1989, the sales ratio of the software sector has increased to 20 percent. "In the 1980's, Sony overcame the temporary stagnation because the three sectors—consumer-use, business-use and parts—complemented each other. The 1990's will be the time to show a similar multiplier effect between hardware and software sectors," (a corporate executive).

From a specialized manufacturer of household AV equipment to a general AV enteprise with multiple coordinate axes—Sony's corporate structure is about to change drastically again.

[21 Jul 90 p 11]

[Text] Task Is To Strengthen Information and Communications Sectors; Tackle "Fusion With AV"

Last year, Sony secretly considered the purchase of a large U.S. computer manufacturer. Tentative calculations by the staff revealed that the purchase price would be Y1 trillion plus several hundred billion yen. The Columbia Pictures purchase, which was the topic of conversation as the largest purchase on record of a foreign company by a Japanese corporation, the purchase price was approximately Y650 billion (including the refinancing share of the loan). Involving a sum twice as large, the talks fizzled out.

"AVCCC" Is Main Support

There is a catch phrase termed, "AVCCC," in the company. "A" stands for audio and "V" for visual. The three "C's" stand for computers, communications and components (parts). "The five elements indicate the technological course to be pursued by Sony in the future," (Teruaki Aoki, director).

Computers and communications were included because it has been calculated that "the fusion of AV equipment with information and communications will advance" (quote by same source). It is claimed that in future home computers, the video display screen will perform the role of an operational terminal. That is why the idea surfaced to purchase a computer manufacturer.

A certain executive of the company says, "Our company's aim is to become a corporation which will be acclaimed by consumers throughout the world as being number one in a certain product field, like Mercedes Benz and IBM." For Sony, that field is none other than "AV." All actions taken over the past several years, such as augmentation of the AVCCC technology, expansion of business-use electronics products and purchase of a

movie company, were to support the big objective of becoming an excellent "AV" company.

However, it is also a fact that in the process of incorporating many elements, the company is faced with a new "Achilles' heel."

At the stockholders' general meeting held on 28 June, a stockholder raised the question, "Is it alright to pay Columbia Pictures' managers such high salaries?" P. Guber and J. Peters, chairmen entrusted with the management of Columbia, will each be paid an annual salary of $2.7 million (approximately Y400 million) by Sony.

Lack of Specialists in Software Industry

Reportedly, such high salaries are paid because the movie business requires a certain unique talent. President Ohga says that, "there is practically no one in Sony who knows anything about the movie industry," admitting the lack of specialists in the software industry. In the present situation, "authority is concentrated on President Ohga alone for the software industry" (a corporate executive).

Sony is still weak in information and communication fields as compared with large electrical firms. As for computers, work stations and hand-size computers with handwritten input are being commercialized but "a clearcut computer strategy for the future has not been formulated yet," (Ken Iwaki, vice president). In the information industry, too, the investment ratio in the satellite communications company, Satellite Japan (main office in Tokyo), has just been lowered. There are even self-ridiculing remarks in the company that, "Our C&C (information and communication) fields are limited to Columbia Pictures and CBS Records."

However, the plan to become an excellent AV company has not changed. Rather, new measures are being advanced to earn the reputation of "excellent" not only from consumers, stockholders and employees but from residents of areas surrounding factories and local political asemblies and governments. The aim is to materialize the "global localization" (localization on a global scale) plan advocated by Chairman Morita.

In April of this year, the company partitioned its U.S. corporation, Sony America, into the three divisions of production, sales and magnetic products. Various operational departments in Japan will be responsible for the production division and will formulate and promote global strategies. The objectives are to increase the production volume, with an eye on exports to Central and South America and Europe, and to contribute to trade deficit reductions while expanding local hires. Meanwhile, the sales division will engage in locally oriented marketing activities. Sales will be increased through supply of products meeting local needs and profits will be dispersed locally. This is an organizational reform with the keyword, "contribution to local regions."

Vice President Iwaki states: "When talking about giant multinational corporations, companies such as General Motors (GM), General Electric (GE) and IBM come to one's mind. However, Sony operates in a bigger business sphere than GM or GE and has a greater variety of products than IBM. We are aiming to become a Japanese-type excellent multinational company that will be the first of its kind."

Sony's executives are young but there are company regulations regarding the retirement age. The retirement age for the president is 65 years. President Ohga, who became 60, has recently begun to say publicly that, "I have to think seriously about my successor." Chairman Morita will be 70 years old next January.

Transfer to Third Generation

After the personnel reshuffle in June, half of the officials of the rank of senior managing director and above, of whom there are 10, were found to be in their fifties. In line with the generational change from Chairman Morita of the founding generation to President Ohga of the second generation, the delegation of authority to the third generation, led by Vice President Iwaki (53), is progressing.

The navigational steering in unchartered waters headed on a course toward "an excellent multinational company centered on AV" is about to be entrusted to these third generation officials.

Major Firms Shy Away From Satellite Business

OW2009130690 Tokyo THE JAPAN ECONOMIC JOURNAL in English 22 Sep 90 p 15—FOR OFFICIAL USE ONLY

[By Kyoko Itoh]

[Text] There was a time when Japan's major trading houses couldn't wait to get into the satellite communications business. But now, with sluggish demand and the intentions of major customers and possible competitors such as Nippon Telegraph and Telephone Corp. still up in the air, caution has set in.

Of course, those which are already involved in the field—Mitsubishi Corp., Mitsui & Co. and C.Itoh & Co.—remain committed and are pursuing new customers.

Meanwhile, Nissho Iwai Corp., Marubeni Corp. and Sumitomo Corp. are active in domestic and international telecommunications services, but have not yet entered into satellite communications.

Nissho Iwai and Marubeni have been eyeing the business since 1985, when they jointly formed Satellite Japan Corp. (SJC). They originally applied to the Ministry of Posts and Telecommunications that year for a business

license, but were turned down on the grounds that there were already too many transponders available.

The two plan to apply again next January, following the results of a demand survey expected to be completed by the end of October. This time, the ministry is expected to approve.

"So far, the survey has yielded good responses. But survey responses and actual business results are two very different things," says Seiji Yamamoto, general manager of Nissho Iwai's satellite communications Infocom Division.

Japan has two established satellite communications firms: Space Communications Co. (SCC), affiliated with the Mitsubishi group, and Japan Communications Satellite Co. (JCSAT), a joint operation of C.Itoh and Mitsui.

Cutting the risk

To reduce its exposure, Nissho Iwai is searching for a partner to take over part of its 48.5 percent stake in SJC, says Yamamoto.

Tsutomu Kizawa, general manager of the corporate planning division of SCC, says, "Nissho Iwai's concern is natural, because it takes from 60 yen billion to 100 yen billion to start a satellite communications business."

Adds Naoakira Kamiya, general manager for satellite communications at Sumitomo's planning and development department, "Nissho Iwai wants to lower its stake to around 30 percent."

Sumitomo was asked by Nissho Iwai to join SJC, but rejected the proposal. In the belief that doing so would be premature and not profitable, "Sumitomo will not enter into the satellite business during the next decade," says Hiroshi Watanabe, general manager of the trading firm's media business division. However, it will eventually do so, he says, not only because of anticipated future demand but also because the satellite communications business is necessary to strengthen Sumitmoto's space-related activities.

Currently, SCC and JCSAT offer a total of 93 transponders, but only half are in use. The lower-than-expected demand is attributed to the high leasing cost, which runs from 300 yen million to 600 yen million annually per transponder. There is also the high risk involved, as spot-lighted in March, when SCC's Superbird B satellite failed to enter a proper orbit, rendering it useless.

SJC plans to provide up to 64 additional transponders using the higher-frequency KU band, according to Yamamoto.

Insurance, hardware costs rising

As the late entrant, SJC will have to become cost-competitive with its two older rivals. But both SCC and JCSAT do not expect that to happen since rocket and insurance expenses are rising steadily.

SJC officials, however, hope to negotiate with satellite manufacturers for lower prices. The company might buy satellites from General Electric Co. of the U.S., according to observers.

SJC's success will depend largely on NTT. The giant telecommunications firm needs to quickly find replacements for the five transponders it leases on the government-sponsored CS3 satellite, which should remain operable through 1995. Since it will take several years after postal ministry approval for SJC to start providing services, NTT must decide by the end of this year if it will procure transponders from the new firm, say sources.

In the meantime, NTT plans to increase its number of terrestrial stations from 18 to 60 in the next two years, to back up its ground transmission lines. This will boost NTT's demand for transponders. The telecommunications giant currently uses some of JCSAT's 13 transponders to back up its land circuits.

There are also growing expectations that NTT will enter the satellite communications business in a tie-up with SJC, says an official at Mitsubishi Electric Corp., Japan's major satellite manufacturer. In this way, NTT would be able to provide adequate financial assistance to the venture, while maintaining control.

If NTT decides to go its own way, it would be forced by the government to spin off its satellite communications division into a separate firm, thereby losing direct control. In addition, attempts by NTT to provide financial assistance to such a venture would be met with charges by SCC and JCSAT of unfair competition, say observers.

For now, however, NTT is keeping its options to itself.

Foreign Leaders Greet P. Ochirbat on Election

OW1309192990 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 0727 GMT 13 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, September 12 (OANA-MONTSAME)—Greeting messages continue to come in the name of P. Ochirbat on the occasion of his election to the post of the MPR [Mongolian People's Republic] president.

Phoumi Vongvichit, acting president of Laos expresses in his message confidence that the Lao-Mongolian relations will further develop and the Mongolian people will achieve great successes in the renovation of the country. Kim Il-song, president of the DPRK wishes P. Ochirbat great achievements in his work for the good of flourising his country and expresses confidence that traditional friendship and cooperation between the two countries will develop further. Vaclav Havel, president of the CSFR, expresses his striving to develop relations between the two countries on the principles of equality, mutual advantage and high efficiency. Polish President Wojciech Jaruzelski expresss his confidence that the profound changes that are taking place in Mongolian society will promote the development of Polish-Mongolian relations.

Foreign Officials Greet Leaders on Appointments

OW2109053490 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1611 GMT 20 Sep 90

[Text] Ulaanbaatar, September 20 (OANA-MONTSAME)—Greeting messages continue to come to Dashiyn Byambasuren in connection with his appointment to the post of the prime minister of Mongolia.

Prime minister of the Republic of Korea Kang Yong-hun in his message congratulates D. Byambasuren and expresses his confidence that friendship and cooperation between the two countries will further develop and strengthen. Tadeusz Mazowiecki, chairman of the Council of Ministers of Poland greets D. Byambasuren and wishes him great successes in his work for the good of the Mongolian people.

Greeting messages came to Radnaasumbereliyn Gonchigdorj, vice president of the MPR from the SRV and the Republic of Korea.

P. Ochirbat Appoints New Ambassador to Poland

OW1609013490 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1558 GMT 15 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 15 Sep (OANA MONTSAME)—MPR [Mongolian People's Republic] President Punsalmaagiyn Ochirbat has appointed Bayarhuugiyn Nanzad the ambassador extraordinary and plenipotentiary of the MPR to Poland. Chimidiin Sereeter is released from his duties of the ambassador of MPR to Poland.

P. Ochirbat Appoints Ambassador to Afghanistan

OW2609043790 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1045 GMT 25 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 25 September (OANA-MONTSAME)—The MPR [Mongolian People's Republic] President P. Ochirbat appointed Baljingiyn Nyamaa ambassador extraordinary and plenipotentiary of the MPR to the Republic of Afghanistan. In connection with the transition to another job, Agvaandorjiyn Tsolmon was released from the duties of the MPR ambassador extraordinary and plenipotentiary of the MPR to the Republic of Afghanistan.

Small Hural Resumes Work, Discusses Cabinet

OW2609043990 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1030 GMT 25 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 25 September (OANA-MONTSAME)—The MPR [Mongolian People's Republic] State Small Hural (SSH) resumed its work yesterday. Fifty SSH members discussed the structure of a new government, proposed by Prime Minister D. Byambasuren as well as the candidatures of its future members.

D. Byambasuren informed SSH members of his proposals concerning the activities and structure of the future government, in forming of which he has been engaged of late. The prime minister spoke in detail about economic, social, technical and technological, ecological, cultural and foreign political directions of the work of the future cabinet.

D. Byambsaduren proposed to have in the government 12 ministries plus three state committees on economy, property and technical and technological policy. It is also proposed to introduce the post, which can be defined as "colleague of a minister". According to the prime minister, "one of the main functions of this post is to ensure broader and multi-version approach towards solving the problems". The SSH continues discussing this issue as well as the candidatures to government posts today.

Small Hural Continues Behind 'Closed Door'

OW2609121990 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1050 GMT 26 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, September 25 (OANA-MONTSAME)—The session of the State Small Hural (SSH), which was resumed yesterday, continues its work today behind the closed door without the presence of the pressmen as well as Prime Minister D. Byambasuren himself. The SSH members are debating his conception on the activities and structure of the future government, which he presented yesterday to the SSH.

After its discussion the SSH will inform the prime minister whether it would be adopted or returned for further improvement. After the government conception, the SSH is to discuss the candidatures to government posts.

Byambasuren Negotiates With Leaders of Parties

OW1509003190 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1739 GMT 14 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 14 September (OANA-MONTSAME)—The Mongolian Prime Minister D. Byambasuren is carrying out the work on forming a new government. Over the past days he had a number of meetings with the leaderships of other political parties.

From the parliamentary parties he achieved an argeement with the Party of National Progress (PNP). The talks with the leaders of Mongolian Democratic Party and Social-Democratic Party are still going on. The sides are exchanging opinions on their participation in the government.

The prime minister succeeded in achieving an agreement with the Green Party on the problems of environmental protection as well as the structure of the future government. Though the Green Party did not join the parliamentary activity due to the election results, D. Byambasuren at his first press conference expressed his wish to have their representatives in the government.

Chairmen Named for Small Hural Committees

OW1909092690 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1020 GMT 14 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 13 September (OANA-MONTSAME)—The first sitting of the first session of the State Small Hural, opened today, finished its work by forming the Standing Committee of the State Little Hural.

Mr. S. Bayar was elected the chairman of the Standing Committee for State Organization, Mr. L. Tsog the chairman of the Standing Committee of Law, Mr. M. Enhsayhan the chairman of the Standing Committee for Economy, Mr. T. Ochirhuu the chairman of the Standing Committee for Social Problems and Mr. R. Hatanbaatar the chairman of the Standing Committee for Problems of Women, Youth and Children.

The session of the MPR State Small Hural will resume its work on September 24.

Public Education Official Grants Interview

OW1609020990 Ulaanbaatar MONTSAME in English to BAKHTAR 1504 GMT 15 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 15 Sep (OANA-MONTSAME)—The all-round renewal of public education in Mongolia was the main topic of an interview by B. Enhtuvshin, first deputy minister of public education, given to "NIISLELIYN SONIN BICHIG" paper.

According to the minister, the MPR [Mongolian People's Republic] public education system is going to face serious changes. First of all, it is envisaged to renew the educational system at primary, secondary education schools basing the use of traditional teaching and taking into account the experience of other countries in this sphere. The main attention would be focused on developing individual abilities of pupils. To achieve it, it is planned to develop various forms of teaching such as forming groups according to the students' interests, giving separate teaching lessons on some subjects as well as special lectures. Many social subjects are to be eliminated. In this connection the earlier made decisions on giving priority to teaching Russian, which used to be of great importance from the ideological point of view, are to be changed.

As the public education minister said, the system of vocational training as well as the educational system at higher educational system would go [as received] radical changes. The teaching there would be oriented at training experts meeting the demands of present-day demands. Special attention would be given to the training of highly skilled personnel able to cope with the tasks highly-efficient modern technology and production.

At higher educational establishments the students must study at least two foreign languages. In future, the system of paid education would be further developed and become one of the main types of teaching process. At the same time, much attention would be paid to the solution of social problems of teachers and students, the minister underlined.

President Meets Buddhist Conference Participants

OW2409150890 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1111 GMT 24 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, September 24. (OANA-MONTSAME)— Heads of the delegations participating in the Eighth ABCP [Asian Buddhist Conference for Peace] general conference, paid a visit to MPR [Mongolian People's Republic] President P. Ochirbat.

The new ABCP President Kuchak Bakula on behalf of conference participants congratulated Mongolian President P. Ochirbat and wished successes in the restructuring process in Mongolia. On behalf of the guests, the ABCP president presented to the Mongolian state leader a traditional hadag (long and narrow blue silk) as the "sign of profound respect."

P. Ochirbat expressed gratitude to the conference participants for congratulations and greeted K. Bakula on his election to the ABCP president. P. Ochirbat highly

assessed the ABCP activities and told the guests about the events taking place in the country's political and social life.

P. Ochirbat said that of late great changes took place in the sphere of religion, which are being supported by the state. Today, there are 47 monasteries and 1000 monks. He pointed out that previons laws hindering the freedom of conscience were abolished. The Mongolian leader stated that the MPR would support cooperation of Mongolian religious people with their counterparts in other countries.

President P. Ochirbat expressed confidence that the ABCP would make an important contribution to the development of friendly relations and cooperation among the states and realization of the Panjasila principles.

Social Democrats Make Statement on Coalition

OW2409140190 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1059 GMT 24 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, September 23. (OANA-MONTSAME)— The Social-Democratic Movement (SDM) and the Social-Democratic Party (SDP) made a statement, which is published in the latest issue of the SDM/SDP newspaper "UG" (WORD). They are for the publication of the full text of an agreement on setting up the Coalition of Democratic Forces (CDF) as well as for the assessment of the outcomes of the CDF activities by the leaders of parties and movements of the CDF.

It is clear from the statement that they had to make it in connection with the fact that some members of the leadership of the Mongolian Democratic Party (MDP) and the Mongolian Democratic Association (MDA) and also some activists criticise of late the SDM/SDP for being as "betrayers of the interests of coalition." The reason of displeasure was the "behaviour" of the SDM leader who did not refuse, as expected the MDA/MDP, from his candidature to the post of vice president during the elections at the MPR People's Great Hural, and who won, S. Zorig, MDA leader. [sentence as received]

The CDF, formed in April for uniting the efforts of new political parties during the preelection campaign, consisted of the MDA/MDP, SDM/SDP and also the New Progressive Union (NPU) and the Party of National Progress (PNP). At his first press conference, the vice president underscored that the agreement on coalition became invalid after the completion of the general elections.

In the statement, the Social Democrats point out that despite the forming of the coalition, there was misunderstanding during joint activities, which was proved by the outcomes of general elections. The SDM/SDP in their statement express readiness to further cooperate with other new political forces and appeal MDA/MDP members to renounce "antidemocratic and Stalinist" methods of forced imposing of their opinion on the just started struggle for democracy.

Australian Parliamentary Delegation Arrives

OW2409134790 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1057 GMT 24 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 24 September. (OANA-MONTSAME)— A delegation from the Australian Parliament arrived in Mongolia on 23 September at the invitation of the Executive Committee of the Mongolian Parliamentary Group (MPG). The delegation was headed by Mr. Charles Worth, labor, from the House of Representatives.

At the Buyant-Uhaa Airport, the Australian guests were met by S. Zorig, newly-appointed chairman of the Executive Committee of the MPG, leader of the Mongolian Democratic Association (MDA), deputy chairman of the MPG R. Barsbold, and other officials.

More on Party Leaders Talks With Australians

OW2609044590 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1037 GMT 25 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 25 September (OANA-MONTSAME)—A visiting parliamentary delegation from Australia headed by Mr. Charlesworth, member of House of Representatives (Labour), met on 24 September with leaders of party groups in the MPR [Mongolian People's Republic] People's Great Hural (PGH), and State Small Hural (SSH). The guests were interested in the outcomes of general elections held recently in Mongolia, the structure of supreme bodies of state power, distribution of forces there, as well as aims and tasks of each party on social, economic and political development of the country.

G. Ochirbat (MPRP) [Mongolian People's Revolutionary Party], E. Bat-Uul (MDP) [Mongolian Democratic Party], D. Ganbold (MPNP) [Mongolian Party of National Progress] and B. Batbayar (MSDP) [Mongolian Socialist Democratic Party] unanimously underlined the importance of fast switching to the system of market economy, developing various types of property in particular, private, as well as enhancing cooperation with other world countries taking into account the national and geo-political features of Mongolia.

G. Ochirbat noted that the MPRP was fully refusing [as received] from misrepresentations and mistakes of the past and was now striving towards complete revival of ideas and principles of Mongolian people's party as well as the genuine name of the party founded by first Mongolian revolutionaries (1921).

The new political parties explained their forthcoming participation in a new government by their readiness to

share all responsibility with the ruling party (MPRP) for possible crisis to be followed by improvement in economic situation.

The meetings were held in the form of questions and as answers from both sides. According to G. Ochirbat, the ruling MPRP was paying particular attention to the complete transition to the principle of self-financing. "The MPRP is starting to finance its activity for the account of membership fees, incomes from party press as well as subsidiary economic organizations at primary party organizations. The membership fees make about 10 million togrogs a year," he said.

Japan Gives Credit To Aid Spinning Factory

OW2409142090 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1105 GMT 24 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, September 24. (OANA-MONTSAME)— The Ulaanbaatar Spinning Factory received the credit worth of 2 million U.S dollars from the Japanese "Osaka Cashmere" firm for its reequipment. Japanese specialists are now engaged in installing new technological line of great production efficiency, which were bought by these credit means. This line is to process the goat down. The term of credit is one year. The factory is going to repay it out of future profits as the goods made of down are important Mongolian export articles.

The main aim of the high-technological line is to process with high quality the valuable raw material, as the down, received from a white goat of a Mongolian breed lost of late its many best features because of insufficiently considered selection work and the haste to increase the volume of purchases [sentence as received]. Its consequence is the cutting of the price for down at the world market, where the Mongolian down is considered to be the best.

'Test Issue' of New Weekly Newspaper Printed

OW1909191290 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1347 GMT 19 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, September 19 (OANA-MONTSAME)—A test issue of the new edition of the "Mongolpress" agency is out off the print. The Mongolian language weekly newspaper "IL TOVCHOO" is meant for the broader range of readers. It will cover on its eight pages current events and deal with urgent socio-political and economic problems of Mongolian society. It will also republish the materials about Mongolia from foreign press.

Today's issue of the paper carries the materials from secret archives of Y. Tsedenvbal, articles about national and economic problems of Mongolia, a political portait of B. Batbayar, the leader of the Mongolian Social-Democratic Party. It has republished a number of materials about Mongolia from foreign press.

This newspaper is to be published permanently since January 1991.

Hural Member Urges Move to Market Economy

OW2109053190 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1613 GMT 20 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, September 20 (OANA-MONTSAME)—The slow economic crisis had led the country's economy to deadlock, M. Enhsaihan, cand. ec. sc., thinks. He is the director of the Institute of Marketing. He is the member of the State Small Hural from the Mongolian Democratic Party (MDP). The way out of crisis situation lies also through the crisis. If we are afraid of this we cannot be able to get out of the deadlock, M. Enhsaihan said in his interview with the journal "TSAG YE" of the press agency "MONGOL-PRESS".

Concerning the well-known statement of President P. Ochirbat on turning Mongolia into one of "tigers", M. Enhsaihan says that this is a perspective goal. However, it is imperative to lay the foundations of the future "tiger" today, before the beginning of the next century, that is to switch to market economy. It is necessary, first of all to change the relations towards property and denationalize state property. Foreign investments and credits are also inevitable, M. Enhsaihan notes.

He expresses confidence that Mongolia is able to make a rapid leap in its economic development. We have enough possibilities, that is natural resources, intellectual potential and young work force. It is natural that we have "to tighten our belts" in coming years and we will have difficulties, says M. Enhsaihan, who was elected at the first session of the State Small Hural, chairman of its standing committee for economic affairs.

Committee Urges Agricultural Workers To Unite

OW2109052790 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1559 GMT 20 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbautar, September 20 (OANA-MONTSAME)—The trade union [TU] paper "Hodolmor" has published an appeal of the Executive Committee of Trade Unions of Workers of Agricultural Coops and the Union of Livestock Breeders and Farmers of Mongolia (ULF). This document says that despite great contribution to supply of the population with food products and the industry with raw materials, the solution of social problems of coop members still lags behind on certain showings from those who are working in other branches of the country's national economy.

Noting that this contradicts to the principles of social justice at the period of restructuring process under way

in the country, the Executive Committee of Trade Unions of Workers of Agricultural Coops and ULF point out that the coop members express wish to be the TU members in order to defend their rights and interests. In this connection the appeal supports the recent decision of the leadership of Mongolian Trade Unions and the Council of Agricultural Coops to set up trade unions of agricultural cooperatives. The Executive Committee and the ULF called on coop members of the country to unite on a voluntary basis into independent trade unions for guaranteed defence of their rights and vital interests.

Council Halts Irrigation System in Bayanhongor

OW2109053090 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1632 GMT 20 Sep 90—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 20 September (OANA-MONTSAME)—The MPR [Mongolian People's Republic] Council of Ministers made a decision on complete stopping of irrigation system "Hersengiyn Tal" in Bayan Tsagaan Soum (province) of Bayanhongor Aimag (province). [sentence as received] The decision was made after the corresponding proposal suggested by the MPR Ministry for Nature and Environmental Protection. The experts of the ministry regard that the introduction of the irrigation system at 3000 hectares of land causing 40.3 million tugriks expenses would negatively influence the natural balance of Gobi zone in particular, the water resources of the River Baidrag and the Lake Buuntsagaan. At the same time, strict limits have been put on the water usage of a number of irrigation systems and some sowing areas were reduced, which saves from extinction some Gobi lakes, for example, the Lake Orog.

The ministry employees have also made an ecological analysis of about 40 small and large irrigation systems basing on technological and economic grounds and project documentations. As a result, a decision was made to stop reconstruction and expansion of such systems situated in different places of the country.

These measures taken by the government save about 170 million tugriks, a certain part of which will be spent for reviving nature lake systems in northern part of Gobi.